

Essex Powerlines Corporation

EB-2011-0166

Filed: October 28, 2012

Exhibit 3

# **Exhibit 3**

## **1562 DEFERRED PILS**

## **Exhibit 3**

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### **Tab 1 of 2**

## **1562 Deferred PILs**

## 1562 Deferred PILs

The Board issued a decision and order in the combined proceeding on Account 1562 deferred PILs, EB-2008-0381, on June 24, 2011. In this decision and order the Board directed distributors subject to section 93 of the Electricity Act, 1998 to apply for final disposition of the balance in account 1562 in its next general rates application (either IRM or cost of service).

Accordingly, Essex Powerlines has included the required evidence for the review and disposition of account 1562 in its IRM application. Essex Powerlines confirms the evidence filed is consistent with the level of detail found in the combined proceeding, including the findings in the Board's EB-2008-0381 decision and the settled issues found in the settlement agreement.

Essex Powerlines has provided the rate application filing models in electronic (Excel) format utilizing the Board's decisions for the 2001 to 2005 for rates and the PILs proxies, which includes revised SIMPIL models for the taxation years 2001-2005. Please refer to Exhibit 3, Tab 1 Attachments 1 to 4.

Essex Powerlines has provided detailed documentation supporting the rate application. Where possible, Essex Powerlines has provided this information electronically. However, in some cases the historical records available internally to Essex Powerlines may exist only in hardcopy. The following supporting information is provided herein:

- PDF's of the associated final rate applications (see Exhibit 3, Tab 2 Appendix 3 numbers 1 to 3)
- PDF's of the associated PILs proxies and SIMPIL models (see Exhibit 3, Tab 2 Appendix 2 numbers 1 to 2)
- PDF's of the signed Board decisions for each year that an application was filed requesting PILs to be included in rates (see Exhibit 3, Tab 2 Appendix 1 numbers 1 to 3)

- 1           ○ PDF's of the final tax returns, notices of assessment, reassessment for  
2           each tax period from 2001-2005 (see Exhibit 3, Tab 2 Appendix 4  
3           numbers 1 to 10)
- 4           ○ an electronic (Excel) copy of the PILs 1562 continuity schedule for the  
5           period from October 1, 2001 to April 30, 2006 (see Exhibit 3, Tab 1  
6           Attachment 2 numbers 1) that shows:
  - 7               ▪ The PILs proxy amounts allowed for the number of months in each  
8               tax period.
  - 9               ▪ The amounts billed to customers during the same tax periods.  
10              Collections from customers have been defined as the amounts  
11              billed to customers. Essex Powerlines confirms that amounts which  
12              at the time would have been included in unbilled revenue accruals  
13              have now been included in collections.
  - 14              ▪ The deferral account and true-up variances that are calculated in  
15              the SIMPIL workbook TAXCALC sheet for each tax period.
  - 16              ▪ Essex Powerlines confirms that it was not subject to the Large  
17              Corporation Tax (LCT) in 2005 and therefore not included in 2005  
18              rates and no portion relates to the period January 1, 2006 to April  
19              30, 2006. LCT was repealed with effect from January 1, 2006.
  - 20              ▪ Interest carrying charges for each tax period. Essex Powerlines has  
21              provided the interest rate chosen for each tax period as shown on  
22              Exhibit 3, Tab 1 Attachment 2 numbers 1.

23   Essex Powerlines confirms the following:

- 24           ○ Essex Powerlines's revised PILs proxy model contains details of final tax  
25           data and has been balanced to the source documents for each tax period.
- 26           ○ Items that should not true up to ratepayers under the methodology have  
27           been isolated onto sheet "TAXCALC3" from those items that are included  
28           in the true-up on sheet "TAXCALC" or "TAXCALC2" for each tax period.
- 29           ○ The income tax rate chosen for each tax year are supported by reference  
30           to tax law and Board precedents.



- 1           ○ The capital tax rates and thresholds or exemptions chosen are supported  
2           by reference to tax law and Board precedents.
- 3           ○ Essex Powerlines used data from its final tax returns for the tax years  
4           2001 through 2005 in calculating the final balance in PILs account 1562,  
5           including re-assessments as applicable.
- 6           ○ Essex Powerlines excluded regulatory assets and liabilities, when they  
7           were created or collected, in the calculation of the final balance in its PILs  
8           account 1562 regardless of the actual tax treatment accorded those  
9           amounts.
- 10          ○ Essex Powerlines was subject to Ontario Capital Tax (OCT). Essex  
11          Powerlines has excluded variances associated with in the income tax true-  
12          up reconciliation. Essex Powerlines understands that under the SIMPIL  
13          methodology, OCT does not true up for income tax purposes, only for  
14          OCT purposes in the appropriate section of SIMPIL sheet TAXCALC.
- 15          ○ Essex Powerlines confirms the proposed rate riders to dispose of the  
16          account balances are appropriate to the best of its knowledge.

17   Essex Powerlines further notes the following:

18           **Model Revisions**

19           Essex Powerlines believes that is has correctly accounted for the declining  
20           income tax rates and other changes in tax rules and legislation during the  
21           period 2001- 2005 in its revised SIMPIL model reconciliations. Essex  
22           Powerlines believes that it has addressed the errors in the 2001 and 2003  
23           SIMPIL models that were released for reporting to the Board by utilizing  
24           the revised model used in the combined proceeding as recommended by  
25           the Board.

## Request for Disposition of 1562 Balance

Principal as of April 30, 2012	38,914
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Interest as of April 30, 2012	62,846
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1 Amount Requested for Disposition of 1562 Balance	101,760
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Essex Powerlines Corporation

EB-2011-0166

Filed: October 28, 2012

Exhibit 3

Tab1

Schedule 1

Attachment1

## Attachment 1 of 2

### Updated SIMPILs Models

**Disposition of Balance Recorded in Account 1562 D**

Distributor	Essex Powerlines Corporation
OEB File Number	EB-2011-0166
Filing Year	2001

**eferred PILs**

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Essex Powerlines Corporation			Colour Code	
4	Reporting period: 2001			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3%	
22		LCT		0%	
23					
24	Accounting Year End		Date	31-Dec-01	
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)			28,722,176	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,460,054	
42					
43	1999 return from RUD Sheet #7			360,343	360,343
44					
45	Total Incremental revenue			2,099,711	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			699,904	699,904
48	Amount allowed in 2002				0
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				1,060,247
55					
56	Equity			14,361,088	
57					
58	Return at target ROE			1,418,876	
59					
60	Debt			14,361,088	
61					
62	Deemed interest amount in 100% of MARR			1,041,179	
63					
64	Phase-in of interest - Year 1 (2001)			448,733	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			448,733	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			448,733	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,041,179	
71					
72					

	A	B	C	D	E	F	G	H
1	PILs TAXES	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: Essex Powerlines Corporation							
7	Reporting period: 2001							
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	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	265,062		-618,088		-353,026	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	389,792		-158,692		231,100	
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			0		0	
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	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	120,336		163,274		283,610	
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	112,183		-112,183		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
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	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		422,335		-827,871	Before loss C/F	-405,536	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		-40.6200%		0.00%	
54								
55	REGULATORY INCOME TAX		171,552		-171,552	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		171,552		-171,552	Actual	0	
61								
62								
63	<b>III) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	28,722,176		8,298,361		37,020,537	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-454,900		4,545,100	
68	Taxable Capital		23,722,176		7,843,461		32,475,437	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		17,792		6,765	Overpaid	24,557	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	28,722,176		2,757,299		31,479,475	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		18,722,176		2,757,299		21,479,475	
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)		10,531		1,650		12,182	
82	Less: Federal Surtax 1.12% x Taxable Income	21	4,730		-4,730		0	
83								
84	Net LCT		5,801		6,380		12,182	
85								

	A	B	C	D	E	F	G	H
1	PILs TAXES	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: Essex Powerlines Corporation							
7	Reporting period: 2001							
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)		39.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	283,558			Actual 2001	0	
91	LCT (proxy tax is grossed-up)	23	9,589			Actual 2001	12,182	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	17,792			Actual 2001	25,457	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	310,938			Actual 2002	37,639	
96	RAM DECISION							
97								
98								
99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
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			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
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		=	0			
121								
122	Income Tax Rate (including surtax) from 2001 Utility's tax return			x	34.12%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				33.00%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				0			
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)			=	422,335			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	34.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	144,101			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	144,101			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	171,552			
147								
148	Regulatory Income Tax Variance			=	-27,452			
149								



	A	B	C	D	E	F	G	H
1	PILs TAXES	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: Essex Powerlines Corporation							
7	Reporting period: 2001							
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			=	28,722,176			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	23,722,176			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	71,167			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	17,792			
159	Regulatory Ontario Capital Tax Variance			=	53,375			
160								
161	Federal LCT							
162	Base				28,722,176			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	18,722,176			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				42,125			
169	Less: Federal surtax			-	4,730			
170	Revised Net LCT			=	37,395			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	5,801			
173	Regulatory Federal LCT Variance			=	31,594			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				34.12%			
176								
177	Income Tax (grossed-up)			+	-41,669			
178	LCT (grossed-up)			+	47,956			
179	Ontario Capital Tax			+	53,375			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	59,662			
182								
183	TRUE-UP VARIANCE (from cell I130)			+	0			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)			=	59,662			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				1,041,179			
194	Interest phased-in (Cell C36)				448,733			
195								
196	Variance due to phase-in of debt component of MARR in rates				592,446			
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)				0			
202	Total deemed interest (REGINFO CELL D61)				1,041,179			
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				592,446			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Essex Powerlines Corporation					
8	Reporting period: 2001					
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 :		35,903	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+			0	
32	Distribution Revenue	+			0	
33	Other Income	+			0	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-			0	
40	Administration	-	121,926		121,926	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	\$231,100		231,100	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46	Municipal property taxes	-			0	
47	Federal LCT	-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	-353,026	0	-353,026	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes	-	\$38,500		38,500	
53	<b>Net Income (loss)</b>	=	-391,526	0	-391,526	
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	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	38,500	0	38,500	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	231,100	0	231,100	
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	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
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		269,600	0	269,600	
71						
72	Other Additions: (Please explain the nature of the additions)					

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
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	<i>Total Other Additions</i>	=	0	0	0	
81						
82	Total Additions	=	269,600	0	269,600	
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	<i>Total Other additions &gt;materiality level</i>		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	-	\$283,610		283,610	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	283,610	0	283,610	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118					0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	Total Deductions	=	283,610	0	283,610	
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	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	-405,536	0	-405,536	
135	DEDUCT:					
136	Non-capital loss applied <b>positive number</b>	-			0	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	-405,536	0	-405,536	
140						

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	0		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	<b>Total Income Tax</b>	=	0	0	0	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
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	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	25,457		25,457	
158	Federal Large Corporations Tax	+	12,182		12,182	
159						
160	<b>Total income and capital taxes</b>	=	37,639	0	37,639	
161						
162						

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Essex Powerlines Corporation</b>					
8	<b>Reporting period: 2001</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	OPEB				0	
60	Regulatory Reserves				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						
65						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: Essex Powerlines Corporation					
9	Reporting period: 2001					
10	Number of days in taxation year:		365			
11	Materiality Level:		35,903			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
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	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Essex Powerlines Corporation</b>					
9	<b>Reporting period: 2001</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		35,903			
12						
13						
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	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			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						



	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Essex Powerlines Corporation</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2001</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b><u>Section C: Reconciliation of accounting income to taxable income</u></b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				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	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	



	A	B	C	D	E	F
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		<b>0</b>	Return			
8	<b>Utility Name: Essex Powerlines Corporation</b>				<b>Version 2009.1</b>	
74						
75						

	A	B	C	D	E	F	G
1	<b>PILs TAXES</b>						
2	<b>Corporate Tax Rates</b>						Version 2009.1
3	<b>Exemptions, Deductions, or Thresholds</b>						
4	Utility Name: Essex Powerlines Corporation						
5	Reporting period: 2001						
6							
7							Table 1
8	<b>Rates Used in 2001 RAM PILs Applications for 2002</b>						
9	Income Range		0 to 200,000		200,001 to 700,000	>700,000	
10	RAM 2002						
11		Year					
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%	26.12%	
15	and Ontario blended		6.00%		6.00%	12.50%	
16	Blended rate		19.12%		34.12%	38.62%	
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
	<b>**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing</b>						
23							
24							
25							Table 2
26	<b>Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2002</b>						
27	Income Range		0 to 200,000		200,001 to 700,000	>700,000	
28	Expected Rates						
29		Year					
30	Income Tax Rate						
31	Current year	2001					
32	Federal (Includes surtax)	2001	13.12%		26.12%	26.12%	
33	Ontario	2001	6.00%		6.00%	12.50%	
34	Blended rate	2001	19.12%		32.12%	38.62%	
35							
36	Capital Tax Rate	2001	0.300%				
37	LCT rate	2001	0.225%				
38	Surtax	2001	1.12%				
39	Ontario Capital Tax Exemption *** 2001	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2001	MAX \$10MM	10,000,000				
41	<b>***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>						
42							
43							Table 3
44	<b>Input Information from Utility's Actual 2001 Tax Returns</b>						
45	Income Range		0 to 200,000		200,001 to 700,000	>700,000	
46							
47		Year					
48	Income Tax Rate						
49	Current year	2001					
50	Federal (Includes surtax)		13.12%		28.12%	28.12%	
51	Ontario		6.00%		6.00%	12.50%	
52	Blended rate		19.12%		34.12%	40.62%	
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.225%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,545,100				
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000				
59	<b>* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36</b>						
60							
61							
62							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	PILs TAXES															
2	Analysis of PILs Tax Account 1562:															
3	Utility Name: Essex Powerlines Corporation														Version 2009.1	
4	Reporting period: 2001				Sign Convention: + for increase; - for decrease										0	
5																
6																
7																
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006			
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total	
10																
11	Opening balance:	=	0		59,662		59,662		59,662		59,662		59,662		0	
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0	
14	True-up Variance Adjustment Q4, 2001 (2)	+/-	0												0	
16	True-up Variance Adjustment (3)	+/-													0	
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-	59,662												59,662	
20	Deferral Account Variance Adjustment (5)	+/-													0	
22	Adjustments to reported prior years' variances (6)	+/-													0	
23	Carrying charges (7)	+/-													0	
25	PILs billed to (collected from) customers (8)	-	0												0	
26																
27	Ending balance: # 1562		59,662		59,662		59,662		59,662		59,662		59,662		59,662	
28																
29																
30																
31	Uncollected PILs															
32																
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.															
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.															
35																
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:															
37																
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.															
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.															
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.															
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.															
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.															
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.															
44	(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.															
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.															
46																
47	(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															
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.															
49																
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.															
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.															
52																
53	(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															
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.															
55																
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.															
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.															
58																
59	(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.															
60																
61	(7) Carrying charges are calculated on a simple interest basis.															
62																
63	(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															
64	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															
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.															
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.															
67																
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied															
69	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;															
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.															
71																
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,															
73	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.															
74																
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,															
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used															
77	to calculate the recovery for the period January 1 to March 31, 2005.															
78																
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes															
80	will have to include amounts from 1562 and from 1590.															
81																
82																

## Disposition of Balance Recorded in Account 1562 Deferred F

Distributor	Essex Powerlines Corporation
OEB File Number	EB-2011-0166
Filing Year	2002

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Essex Powerlines Corporation			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3%	
22		LCT		0%	
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)			28,722,176	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,460,054	
42					
43	1999 return from RUD Sheet #7			360,343	360,343
44					
45	Total Incremental revenue			2,099,711	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			699,904	699,904
48	Amount allowed in 2002			699,904	699,904
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				1,760,151
55					
56	Equity			14,361,088	
57					
58	Return at target ROE			1,418,876	
59					
60	Debt			14,361,088	
61					
62	Deemed interest amount in 100% of MARR			1,041,179	
63					
64	Phase-in of interest - Year 1 (2001)			448,733	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			744,956	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			744,956	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,041,179	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2002</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	1,760,151		-139,939		1,620,212	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	1,559,167		-356,088		1,203,079	
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			0		0	
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	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	957,017		212,395		1,169,412	
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	744,956		50,613		795,569	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
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	<b>Items on which true-up does not apply "TAXREC 3"</b>				121,557		121,557	
49								
50	<b>TAXABLE INCOME/ (LOSS)</b>		1,617,345		-880,592	<b>Before loss C/F</b>	736,753	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-1.6485%		36.97%	
54								
55	<b>REGULATORY INCOME TAX</b>		624,619		-502,163	<b>Actual</b>	122,456	
56								
57								
58	Miscellaneous Tax Credits	14			0	<b>Actual</b>	0	
59								
60	<b>Total Regulatory Income Tax</b>		624,619		-502,163	<b>Actual</b>	122,456	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	28,722,176		8,558,475		37,280,651	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-337,498		4,662,502	
68	Taxable Capital		23,722,176		8,220,977		32,618,149	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		71,167		26,688	<b>Overpaid</b>	97,854	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	28,722,176		3,041,794		31,763,970	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		18,722,176		3,041,794		21,763,970	
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)		42,125		6,844		48,969	
82	Less: Federal Surtax 1.12% x Taxable Income	21	18,114		-14,404		3,710	
83								
84	<b>Net LCT</b>		24,011		21,248		45,259	
85								



	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2002</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	999,390			<b>Actual 2002</b>	122,456	
91	LCT (proxy tax is grossed-up)	23	38,417			<b>Actual 2002</b>	45,259	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	71,167			<b>Actual 2002</b>	97,854	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	1,108,973			<b>Actual 2002</b>	265,569	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
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		=	0			
121								
122	Income Tax Rate (including surtax) from 2002 Utility's tax return			x	38.62%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				37.50%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,617,345			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	38.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	624,619			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	624,619			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	624,619			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2002</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
150	<b>Ontario Capital Tax</b>							
151	Base			=	28,722,176			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	23,722,176			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	71,167			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	71,167			
158								
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				28,722,176			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	18,722,176			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				42,125			
169	Less: Federal surtax			-	18,114			
170	Revised Net LCT			=	24,011			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	24,011			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.50%			
176								
177	<b>Income Tax (grossed-up)</b>			+	0			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	0			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	0			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				1,041,179			
194	Interest phased-in (Cell C36)				744,956			
195								
196	Variance due to phase-in of debt component of MARR in rates				296,223			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				795,569			
202	Total deemed interest (REGINFO CELL D61)				1,041,179			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				296,223			
209								
210								
211								



	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4	<b>0</b>		<b>Return</b>		
5					<b>Version 2009.1</b>
6	<b>Section A: Identification:</b>				
7	<b>Utility Name: Essex Powerlines Corporation</b>				
8	<b>Reporting period: 2002</b>				
9	<b>Taxation Year's start date:</b>				
10	<b>Taxation Year's end date:</b>				
11	<b>Number of days in taxation year:</b>		365	days	
12					
13	<b>Please enter the Materiality Level :</b>		35,903	< - enter materiality level	
14	<b>(0.25% x Rate Base x CER)</b>	Y/N	Y		
15	<b>(0.25% x Net Assets)</b>	Y/N	N		
16	<b>Or other measure (please provide the basis of the amount)</b>	Y/N	N		
17	<b>Does the utility carry on non-wires related operation?</b>	Y/N	N		
18	<b>(Please complete the questionnaire in the Background questionnaire worksheet.)</b>				
19					
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K				
21					
22	<b>Section B: Financial statements data:</b>				
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>				
24	<i>The actual categories of the income statements should be used.</i>				
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>				
26					
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>				
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>				
29					
30	<b>Income:</b>				
31	Energy Sales	+			0
32	Distribution Revenue	+			0
33	Other Income	+			0
34	Miscellaneous income	+			0
35		+			0
36	Revenue should be entered above this line				
37					
38	<b>Costs and Expenses:</b>				
39	Cost of energy purchased	-			0
40	Administration	-	-2,823,291		-2,823,291
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	\$1,203,079		1,203,079
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	1,620,212	0	1,620,212
51	Less: Interest expense for accounting purposes	-	795,569		795,569
52	Provision for payments in lieu of income taxes	-	\$257,161		257,161
53	<b>Net Income (loss)</b>	=	567,482	0	567,482
54	<i>(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. )</i>				
55					
56	<b>Section C: Reconciliation of accounting income to taxable income</b>				
57	<b>From T2 Schedule 1</b>				
58	<b>BOOK TO TAX ADDITIONS:</b>				
59	Provision for income tax	+	257,161	0	257,161
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	1,203,079	0	1,203,079
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	+	0	0	0
65	Regulatory adjustments on which true-up may apply (see A66)	+			0

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4	<b>0</b>		<b>Return</b>		
5					<b>Version 2009.1</b>
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0
67	Material addition items from TAXREC 2	+	0	0	0
68	Other addition items (not Material) from TAXREC 2	+	0	0	0
69					
70	<i>Subtotal</i>		1,460,240	0	1,460,240
71					
72	<i>Other Additions: (Please explain the nature of the additions)</i>				
73	Recapture of CCA	+			0
74	Non-deductible meals and entertainment expense	+			0
75	Capital items expensed	+			0
76		+			0
77		+			0
78		+			0
79		+			0
80	<i>Total Other Additions</i>	=	0	0	0
81					
82	<i>Total Additions</i>	=	1,460,240	0	1,460,240
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	<i>Total Other additions &gt;materiality level</i>		0	0	0
93	Other additions (less than materiality level)		0	0	0
94	<i>Total Other Additions</i>		0	0	0
95					
96	<b>BOOK TO TAX DEDUCTIONS:</b>				
97	Capital cost allowance	-	\$1,169,412		1,169,412
98	Cumulative eligible capital deduction	-			0
99	Employee benefit plans-paid amounts	-			0
100	Items capitalized for regulatory purposes	-			0
101	<i>Regulatory adjustments :</i>	-			0
102	CCA	-			0
103	<i>other deductions</i>	-			0
104	<i>Tax reserves - end of year</i>	-	0	0	0
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0
106	<i>Contributions to deferred income plans</i>	-			0
107	<i>Contributions to pension plans</i>	-			0
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		121,557	0	121,557
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	<i>Subtotal</i>	=	1,290,969	0	1,290,969
114	<i>Other deductions (Please explain the nature of the deductions)</i>				
115	<b>Charitable donations - tax basis</b>	-			0
116	<i>Gain on disposal of assets</i>	-			0
117		-			0
118					0
119		-			0
120	<i>Total Other Deductions</i>	=	0	0	0
121					
122	<i>Total Deductions</i>	=	1,290,969	0	1,290,969
123					
124	Recap Material Deductions:				
125			0	0	0
126			0	0	0

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4	<b>0</b>		<b>Return</b>		
5					<b>Version 2009.1</b>
127			0	0	0
128			0	0	0
129			0	0	0
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0
131	Other Deductions less than materiality level		0	0	0
132	Total Other Deductions		0	0	0
133					
134	<b>TAXABLE INCOME</b>	=	736,753	0	736,753
135	<b>DEDUCT:</b>				
136	Non-capital loss applied <b>positive number</b>	-	405,536		405,536
137	Net capital loss applied <b>positive number</b>	-			0
138					0
139	<b>NET TAXABLE INCOME</b>	=	331,217	0	331,217
140					
141	<b>FROM ACTUAL TAX RETURNS</b>				
142	Net Federal Income Tax <b>(Must agree with tax return)</b>	+	86,513		86,513
143	Net Ontario Income Tax <b>(Must agree with tax return)</b>	+	35,943		35,943
144	Subtotal	=	122,456	0	122,456
145	Less: Miscellaneous tax credits <b>(Must agree with tax returns)</b>	-	0		0
146	<b>Total Income Tax</b>	=	122,456	0	122,456
147					
148	<b>FROM ACTUAL TAX RETURNS</b>				
149	Net Federal Income Tax Rate <b>(Must agree with tax return)</b>		26.12%		26.12%
150	Net Ontario Income Tax Rate <b>(Must agree with tax return)</b>		10.85%		10.85%
151	Blended Income Tax Rate		36.97%	*****	36.97%
152					
153	<b>Section F: Income and Capital Taxes</b>				
154					
155	<b>RECAP</b>				
156	Total Income Taxes	+	122,456	0	122,456
157	Ontario Capital Tax	+	97,854		97,854
158	Federal Large Corporations Tax	+	45,259		45,259
159					
160	<b>Total income and capital taxes</b>	=	265,569	0	265,569

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Essex Powerlines Corporation</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59					0	
60					0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: Essex Powerlines Corporation					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		35,903			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
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	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Essex Powerlines Corporation</b>					
9	<b>Reporting period: 2002</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		35,903			
12						
13						
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	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			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						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Essex Powerlines Corporation</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2002</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				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	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-	\$121,557		121,557	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

	A	B	C	D	E	F
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Essex Powerlines Corporation</b>				<b>Version 2009.1</b>	
73	<b><u>Total Deductions on which true-up does not apply</u></b>	=	121,557	0	121,557	
74						
75						



	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Essex Powerlines Corporation									
5	Reporting period: 2002									
6										
7										
8	Table 1									
9	Rates Used in 2002 RAM PILs Applications for 2002									
10	Income Range		0		200,001					
11	RAM 2002		to		to	>700,000				
12		Year	200,000		700,000					
13	Income Tax Rate									
14	Proxy Tax Year	2002								
15	Federal (Includes surtax)		13.12%		26.12%	26.12%				
16	and Ontario blended		6.00%		6.00%	12.50%				
17	Blended rate		19.12%		34.12%	38.62%				
18	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000							
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002									
27	Income Range		0		200,001					
28	Expected Rates		to		to	>700,000				
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2002								
32	Federal (Includes surtax)	2002	13.12%		26.12%	26.12%				
33	Ontario	2002	6.00%		6.00%	12.50%				
34	Blended rate	2002	19.12%		32.12%	38.62%				
35										
36	Capital Tax Rate	2002	0.300%							
37	LCT rate	2002	0.225%							
38	Surtax	2002	1.12%							
39	Ontario Capital Tax Exemption *** 2002	MAX \$5MM	5,000,000							
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$10MM	10,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2002 Tax Returns									
45	Income Range		0		200,001					
46			to		to	>700,000				
47		Year	200,000		700,000					
48	Income Tax Rate									
49	Current year	2002								
50	Federal (Includes surtax)		13.12%		26.12%	26.12%				
51	Ontario		6.00%		6.00%	12.50%				
52	Blended rate		19.12%		32.12%	38.62%				
53										
54	Capital Tax Rate		0.300%							
55	LCT rate		0.225%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,662,502							
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Essex Powerlines Corporation														Version 2009.1
4	Reporting period: 2002				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-											0		0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-					0								0
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-													0
20	Deferral Account Variance Adjustment (5)	+/-					0								0
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0		0		0		0		0		0		0
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(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.														
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
46															
47	(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														
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(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														
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(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.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(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														
64	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														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	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;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	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.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															
82															

## Disposition of Balance Recorded in Account 1562 Deferred F

Distributor	Essex Powerlines Corporation
OEB File Number	EB-2011-0166
Filing Year	2003

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Essex Powerlines Corporation			Colour Code	
4	Reporting period: 2003			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3%	
22		LCT		0%	
23					
24	Accounting Year End		Date	31-Dec-03	
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)			28,722,176	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,460,054	
42					
43	1999 return from RUD Sheet #7			360,343	360,343
44					
45	Total Incremental revenue			2,099,711	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			699,904	699,904
48	Amount allowed in 2002			699,904	699,904
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				1,760,151
55					
56	Equity			14,361,088	
57					
58	Return at target ROE			1,418,876	
59					
60	Debt			14,361,088	
61					
62	Deemed interest amount in 100% of MARR			1,041,179	
63					
64	Phase-in of interest - Year 1 (2001)			448,733	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			744,956	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			744,956	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,041,179	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2003</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	1,760,151		349,723		2,109,874	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	1,559,167		-310,276		1,248,891	
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			0		0	
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	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	957,017		219,543		1,176,560	
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	744,956		108,931		853,887	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
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	<b>Items on which true-up does not apply "TAXREC 3"</b>				97,854		97,854	
49								
50	TAXABLE INCOME/ (LOSS)		1,617,345		-386,881	Before loss C/F	1,230,464	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-4.1333%		34.49%	
54								
55	REGULATORY INCOME TAX		624,619		-200,273	Actual	424,346	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		624,619		-200,273	Actual	424,346	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	28,722,176		8,428,794		37,150,970	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-628,754		4,371,246	
68	Taxable Capital		23,722,176		7,800,040		32,779,724	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		71,167		27,173	Overpaid	98,339	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	28,722,176		2,852,721		31,574,897	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		18,722,176		2,852,721		21,574,897	
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)		42,125		6,419		48,544	
82	Less: Federal Surtax 1.12% x Taxable Income	21	18,114		-4,333		13,781	
83								
84	Net LCT		24,011		10,752		34,762	
85								



	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2003</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	999,390			<b>Actual 2003</b>	424,346	
91	LCT (proxy tax is grossed-up)	23	38,417			<b>Actual 2003</b>	34,763	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	71,167			<b>Actual 2003</b>	98,338	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	1,108,973			<b>Actual 2003</b>	557,447	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
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		=	0			
121								
122	Income Tax Rate (including surtax) from 2003 Utility's tax return			x	34.49%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				33.37%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
134								
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,617,345			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	34.49%			
139								
140	REVISED REGULATORY INCOME TAX			=	557,768			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	557,768			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	624,619			
147								
148	Regulatory Income Tax Variance			=	-66,850			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2003</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
150	<b>Ontario Capital Tax</b>							
151	Base			=	28,722,176			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	23,722,176			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	71,167			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)							
158				-	71,167			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				28,722,176			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	18,722,176			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				42,125			
169	Less: Federal surtax			-	18,114			
170	Revised Net LCT			=	24,011			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	24,011			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				33.37%			
176								
177	<b>Income Tax (grossed-up)</b>			+	-100,326			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-100,326			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-100,326			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				1,041,179			
194	Interest phased-in (Cell C36)				744,956			
195								
196	Variance due to phase-in of debt component of MARR in rates				296,223			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				853,887			
202	Total deemed interest (REGINFO CELL D61)				1,041,179			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				296,223			
209								
210								

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Essex Powerlines Corporation					
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 :		35,903	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+			0	
32	Distribution Revenue	+			0	
33	Other Income	+			0	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-			0	
40	Administration	-	-3,358,765		-3,358,765	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	\$1,248,891		1,248,891	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	2,109,874	0	2,109,874	
51	Less: Interest expense for accounting purposes	-	853,887		853,887	
52	Provision for payments in lieu of income taxes	-	\$550,749		550,749	
53	<b>Net Income (loss)</b>	=	705,238	0	705,238	
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	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	550,749	0	550,749	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,248,891	0	1,248,891	
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	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<i>Subtotal</i>		1,799,640	0	1,799,640	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					



	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	Total Additions	=	1,799,640	0	1,799,640	
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	<i>Total Other additions &gt;materiality level</i>		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	-	\$1,176,560		1,176,560	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		97,854	0	97,854	
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	=	1,274,414	0	1,274,414	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118					0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	Total Deductions	=	1,274,414	0	1,274,414	
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	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	1,230,464	0	1,230,464	
135	DEDUCT:					
136	Non-capital loss applied <b>positive number</b>	-			0	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	1,230,464	0	1,230,464	
140						

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	270,538		270,538	
143	Net Ontario Income Tax (Must agree with tax return)	+	153,808		153,808	
144	Subtotal	=	424,346	0	424,346	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	424,346	0	424,346	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		21.99%		21.99%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	Divide Ontario
151	Blended Income Tax Rate		34.49%	*****	34.49%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	424,346	0	424,346	
157	Ontario Capital Tax	+	98,338		98,338	
158	Federal Large Corporations Tax	+	34,763		34,763	
159						
160	<b>Total income and capital taxes</b>	=	557,447	0	557,447	
161						
162						

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Essex Powerlines Corporation</b>					
8	<b>Reporting period: 2003</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
65						
66						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Essex Powerlines Corporation</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		35,903			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
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	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Essex Powerlines Corporation</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		35,903			
12						
13						
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	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			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						
123						
124						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Essex Powerlines Corporation</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2003</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>	+			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	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-	97,854		97,854	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

	A	B	C	D	E	F
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Essex Powerlines Corporation</b>				<b>Version 2009.1</b>	
73	<b><u>Total Deductions on which true-up does not apply</u></b>	=	97,854	0	97,854	
74						

	A	B	C	D	E	F	G
1	PILs TAXES						
2	Corporate Tax Rates			Version 2009.1			
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Essex Powerlines Corporation						
5	Reporting period: 2003						
6							
7	Table 1						
8	Rates Used in 2002 RAM PILs Applications for 2002						
9	Income Range		0		200,001		
10	RAM 2002		to		to	>700,000	
11		Year	200,000		700,000		
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%	26.12%	
15	and Ontario blended		6.00%		6.00%	12.50%	
16	Blended rate		19.12%		34.12%	38.62%	
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
23							
24							
25	Table 2						
26	Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003						
27	Income Range		0	250,001	400,001		
28	Expected Rates		to	to	to	>1128000	
29		Year	250,000	400,000	1,128,000		
30	Income Tax Rate						
31	Current year	2003					
32	Federal (Includes surtax)		13.12%	22.12%	22.12%	24.12%	
33	Ontario		5.50%	5.50%	9.75%	12.50%	
34	Blended rate		18.62%	27.62%	31.87%	36.62%	
35							
36	Capital Tax Rate		0.300%				
37	LCT rate		0.225%				
38	Surtax		1.12%				
39	Ontario Capital Tax Exemption *** 2003	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2003	MAX \$10MM	10,000,000				
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.						
42							
43	Table 3						
44	Input Information from Utility's Actual 2003 Tax Returns						
45	Income Range		0	250,001	400,001		
46			to	to	to	>1128000	
47		Year	250,000	400,000	1,128,000		
48	Income Tax Rate						
49	Current year	2003					
50	Federal (Includes surtax)		13.12%	22.12%	22.12%	24.12%	
51	Ontario		5.50%	5.50%	9.75%	12.50%	
52	Blended rate		18.62%	27.62%	31.87%	36.62%	
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.225%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5.0MM	4,371,246				
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23						
60	page 11; federal T2 Schedule 36						



	A	B	C	D	E	F	G	H	I	J	K
1	PILs TAXES										
2	Analysis of PILs Tax Account 1562:										
3	Utility Name: Essex Powerlines Corporation										
4	Reporting period: 2003				Sign Convention: + for increase; - for decrease						
5											
6											
7											
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005
10											
11	Opening balance:	=	0		0		0		-100,326		-100,326
12	Board-approved PILs tax proxy from Decisions (1)	+/-									
14	True-up Variance Adjustment Q4, 2001 (2)	+/-									
16	True-up Variance Adjustment (3)	+/-					0				
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-									
20	Deferral Account Variance Adjustment (5)	+/-					-100,326				
22	Adjustments to reported prior years' variances (6)	+/-									
23	Carrying charges (7)	+/-									
25	PILs billed to (collected from) customers (8)	-									
26			0		0						
27	Ending balance: # 1562		0		0		-100,326		-100,326		-100,326
28											
29											
30											
31	Uncollected PILs										
32											
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.										
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.										
35											
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:										
37											
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.										
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.										
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.										
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.										
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.										
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.										
44	(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.										
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.										
46											
47	(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										
48	trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.										
49											
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.										
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.										
52											
53	(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										
54	trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.										
55											
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.										
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.										
58											
59	(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.										
60											
61	(7) Carrying charges are calculated on a simple interest basis.										
62											
63	(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										
64	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the										
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.										
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.										
67											
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied										
69	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;										
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.										
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,										
73	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.										
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,										
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used										
77	to calculate the recovery for the period January 1 to March 31, 2005.										
78											
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes										
80	will have to include amounts from 1562 and from 1590.										
81											

	L	M	N	O
1				
2				
3				Version 2009.1
4				0
5				
6				
7				
8		01/01/2006		
9		30/04/2006		Total
10				
11		-100,326		0
12				0
14				0
16				0
18				0
20				-100,326
22				0
23				0
25				0
26				
27		-100,326		-100,326
28				
29				
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**Disposition of Balance Recorded in Account 1562 D**

Distributor	Essex Powerlines Corporation
OEB File Number	EB-2011-0166
Filing Year	2004

**eferred PILs**

	A	B	C	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Essex Powerlines Corporation			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		2.4490%	
22		LCT		2.4490%	
23					
24	Accounting Year End		Date	31-Dec-04	
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)			28,722,176	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,460,054	
42					
43	1999 return from RUD Sheet #7			360,343	360,343
44					
45	Total Incremental revenue			2,099,711	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			699,904	699,904
48	Amount allowed in 2002			699,904	699,904
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				1,760,151
55					
56	Equity			14,361,088	
57					
58	Return at target ROE			1,418,876	
59					
60	Debt			14,361,088	
61					
62	Deemed interest amount in 100% of MARR			1,041,179	
63					
64	Phase-in of interest - Year 1 (2001)			448,733	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			744,956	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			744,956	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,041,179	
71					
72					
73					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2004</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	1,760,151		-377,496		1,382,655	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	1,559,167		-206,600		1,352,567	
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			0		0	
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	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	957,017		225,419		1,182,436	
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	744,956		83,510		828,466	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
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	<b>Items on which true-up does not apply "TAXREC 3"</b>				98,338		98,338	
49								
50	TAXABLE INCOME/ (LOSS)		1,617,345		-991,363	Before loss C/F	625,982	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-5.1558%		33.46%	
54								
55	REGULATORY INCOME TAX		624,619		-415,139	Actual	209,480	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		624,619		-415,139	Actual	209,480	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	28,722,176		6,148,507		34,870,683	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-724,625		4,275,375	
68	Taxable Capital		23,722,176		5,423,882		30,595,308	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		71,167		20,619	Overpaid	91,786	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	28,722,176		-28,722,176			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		40,000,000		50,000,000	
77	Taxable Capital		18,722,176		11,277,824		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		42,125		-42,125		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	18,114		-18,114		0	
83								
84	Net LCT		24,011		-24,011		0	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2004</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	999,390			<b>Actual 2004</b>	209,480	
91	LCT (proxy tax is grossed-up)	23	38,417			<b>Actual 2004</b>	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	71,167			<b>Actual 2004</b>	91,786	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	1,108,973			<b>Actual 2004</b>	301,266	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
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		=	0			
121								
122	Income Tax Rate (including surtax) from 2004 Utility's tax return			x	33.46%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				0.32344221			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
134								
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,617,345			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	33.46%			
139								
140	REVISED REGULATORY INCOME TAX			=	541,232			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	541,232			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	624,619			
147								
148	Regulatory Income Tax Variance			=	-83,387			
149								



	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	<b>0</b>						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2004</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
150	<b>Ontario Capital Tax</b>							
151	Base			=	28,722,176			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	23,722,176			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	71,167			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)							
158				-	71,167			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				28,722,176			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-21,277,824			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	24,011			
173	Regulatory Federal LCT Variance			=	-24,011			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				0.32344221			
176								
177	<b>Income Tax (grossed-up)</b>			+	-123,251			
178	<b>LCT (grossed-up)</b>			+	-38,417			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-161,668			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-161,668			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				1,041,179			
194	Interest phased-in (Cell C36)				744,956			
195								
196	Variance due to phase-in of debt component of MARR in rates				296,223			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				828,466			
202	Total deemed interest (REGINFO CELL D61)				1,041,179			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				296,223			
209								
210								



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Essex Powerlines Corporation					
8	Reporting period: 2004					
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 :		35,903	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+			0	
32	Distribution Revenue	+			0	
33	Other Income	+			0	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-			0	
40	Administration	-	-2,735,222		-2,735,222	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	\$1,352,567		1,352,567	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	1,382,655	0	1,382,655	
51	Less: Interest expense for accounting purposes	-	828,466		828,466	
52	Provision for payments in lieu of income taxes	-	\$301,216		301,216	
53	<b>Net Income (loss)</b>	=	252,973	0	252,973	
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	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	301,216	0	301,216	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,352,567	0	1,352,567	
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	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<i>Subtotal</i>		1,653,783	0	1,653,783	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	Total Additions	=	1,653,783	0	1,653,783	
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	<i>Total Other additions &gt;materiality level</i>		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	-	\$1,182,436		1,182,436	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		98,338	0	98,338	
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	=	1,280,774	0	1,280,774	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118		-			0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	Total Deductions	=	1,280,774	0	1,280,774	
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	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	625,982	0	625,982	
135	DEDUCT:					
136	Non-capital loss applied <b>positive number</b>	-			0	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	625,982	0	625,982	
140						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	138,467		138,467	
143	Net Ontario Income Tax (Must agree with tax return)	+	71,013		71,013	
144	Subtotal	=	209,480	0	209,480	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	209,480	0	209,480	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		11.34%		11.34%	Divide Ontario
151	Blended Income Tax Rate		33.46%	*****	33.46%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	209,480	0	209,480	
157	Ontario Capital Tax	+	91,786		91,786	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	301,266	0	301,266	
161						
162						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Essex Powerlines Corporation</b>					
8	<b>Reporting period: 2004</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
65						
66						
67						

	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: Essex Powerlines Corporation					
9	Reporting period: 2004					
10	Number of days in taxation year:		365			
11	Materiality Level:		35,903			
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		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Essex Powerlines Corporation</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		35,903			
12						
13						
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-			0	
95		-			0	
96		-			0	
97	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
98		-			0	
99		-			0	
100		-			0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
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			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						
126						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Essex Powerlines Corporation</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2004</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>	+			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	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-	\$98,338		98,338	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

	A	B	C	D	E	F
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	<b>0</b>		Return			
8	<b>Utility Name: Essex Powerlines Corporation</b>				<b>Version 2009.1</b>	
73	<b><u>Total Deductions on which true-up does not apply</u></b>	=	98,338	0	98,338	
74						
75						
76						



	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-381						
2	Corporate Tax Rates						Version 2009.1
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Essex Powerlines Corporation						
5	Reporting period: 2004						
6							
7							
8	Rates Used in 2002 RAM PILs Applications for 2002						Table 1
9	Income Range		0 to 200,000		200,001 to 700,000		>700,000
10	RAM 2002						
11		Year					
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%		26.12%
15	and Ontario blended		6.00%		6.00%		12.50%
16	Blended rate		19.12%		34.12%		38.62%
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
24							
25							
26	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004						Table 2
27	Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000		>1,128,000
28	Expected Rates						
29		Year					
30	Income Tax Rate						
31	Current year	2004					
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%
33	Ontario		5.50%	5.50%	9.75%		14.00%
34	Blended rate		18.62%	27.62%	31.87%		36.12%
35							
36	Capital Tax Rate		0.300%				
37	LCT rate		0.200%				
38	Surtax		1.12%				
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000				
41	*** Allocation of exemptions must comply with the Board's instructions regarding regulated activities.						
42							
43							
44	Input Information from Utility's Actual 2004 Tax Returns						Table 3
45	Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000		>1,128,000
46							
47		Year					
48	Income Tax Rate						
49	Current year	2004					
50	Federal (Includes surtax)		13.12%	22.12%	22.29%		22.12%
51	Ontario		5.50%	5.50%	13.77%		14.00%
52	Blended rate		18.62%	27.62%	36.06%		36.12%
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.200%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,275,375				
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-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Essex Powerlines Corporation														Version 2009.1
4	Reporting period: 2004				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		0		0		0		-161,668		-161,668		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-							0						0
18	Deferral Account Variance Adjustment Q4, 2001 (4)														0
20	Deferral Account Variance Adjustment (5)	+/-							-161,668						-161,668
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0		0		0		-161,668		-161,668		-161,668		-161,668
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(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.														
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
46															
47	(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														
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(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														
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(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.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(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														
64	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														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	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;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	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.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														

## Disposition of Balance Recorded in Account 1562 Deferred F

Distributor	Essex Powerlines Corporation
OEB File Number	EB-2011-0166
Filing Year	2005

	A	B	C	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Essex Powerlines Corporation			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	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3.0000%	
22		LCT			
23					
24	Accounting Year End		Date	31-Dec-05	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				Regulatory
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				Income
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			28,722,176	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,460,054	
42					
43	1999 return from RUD Sheet #7			360,343	360,343
44					
45	Total Incremental revenue			2,099,711	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			699,904	699,904
48	Amount allowed in 2002			699,904	699,904
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			699,904	699,904
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				
52	Other Board-approved changes to MARR or incremental revenue				188,656
53					
54	<b>Total Regulatory Income</b>				2,648,711
55					
56	Equity			14,361,088	
57					
58	Return at target ROE			1,418,876	
59					
60	Debt			14,361,088	
61					
62	Deemed interest amount in 100% of MARR			1,041,179	
63					
64	Phase-in of interest - Year 1 (2001)			448,733	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			744,956	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			744,956	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,041,179	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2005</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	2,648,711		-1,018,668		1,630,043	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	1,559,167		-287,026		1,272,141	
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			0		0	
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	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	957,017		233,992		1,191,009	
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	1,041,179		-256,008		785,171	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
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	<b>CDM 2005 incremental OM&amp;A expenses per 2005 PILs model</b>	12	74,091		-74,091		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				91,787		91,787	
49								
50	TAXABLE INCOME/ (LOSS)		2,135,591		-1,301,374	<b>Before loss C/F</b>	834,217	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		-0.0001%		36.12%	
54								
55	REGULATORY INCOME TAX		771,375		-470,057	<b>Actual</b>	301,318	
56								
57								
58	Miscellaneous Tax Credits	14			0	<b>Actual</b>	0	
59								
60	<b>Total Regulatory Income Tax</b>		771,375		-470,057	<b>Actual</b>	301,318	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	28,722,176		4,679,814		33,401,990	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		-1,346,318		6,153,682	
68	Taxable Capital		21,222,176		3,333,496		27,248,308	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		63,667		18,078	<b>Overpaid</b>	81,745	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	28,722,176		-28,722,176			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		0		50,000,000	
77	Taxable Capital		0		-28,722,176		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								



	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	Utility Name: Essex Powerlines Corporation							
7	Reporting period: 2005							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		36.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	1,207,538			<b>Actual 2005</b>	301,318	
91	LCT (proxy tax is grossed-up)	23	0			<b>Actual 2005</b>	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	63,667			<b>Actual 2005</b>	81,745	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	1,271,205			<b>Actual 2005</b>	383,063	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
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		=	0			
121								
122	Income Tax Rate (including surtax) from 2005 Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				0.349998585			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	2,135,591			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	771,372			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	771,372			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	771,375			
147								
148	Regulatory Income Tax Variance			=	-3			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						<b>Version 2009.1</b>	
6	<b>Utility Name: Essex Powerlines Corporation</b>							
7	<b>Reporting period: 2005</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
150	<b>Ontario Capital Tax</b>							
151	Base			=	28,722,176			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	21,222,176			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	63,667			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	63,667			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				28,722,176			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-21,277,824			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				0.349998585			
176								
177	<b>Income Tax (grossed-up)</b>			+	-5			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-5			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-5			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				1,041,179			
194	Interest phased-in (Cell C36)				744,956			
195								
196	Variance due to phase-in of debt component of MARR in rates				296,223			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				785,171			
202	Total deemed interest (REGINFO CELL D61)				1,041,179			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				296,223			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Essex Powerlines Corporation					
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 :		35,903	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+			0	
32	Distribution Revenue	+			0	
33	Other Income	+			0	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-			0	
40	Administration	-	-2,902,184		-2,902,184	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	\$1,272,141		1,272,141	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	1,630,043	0	1,630,043	
51	Less: Interest expense for accounting purposes	-	785,171		785,171	
52	Provision for payments in lieu of income taxes	-	301,318		301,318	
53	<b>Net Income (loss)</b>	=	543,554	0	543,554	
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	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	301,318	0	301,318	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,272,141	0	1,272,141	
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	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<i>Subtotal</i>		1,573,459	0	1,573,459	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	Total Additions	=	1,573,459	0	1,573,459	
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	<i>Total Other additions &gt;materiality level</i>		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	-	\$1,191,009		1,191,009	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		91,787	0	91,787	
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	=	1,282,796	0	1,282,796	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118		-			0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	Total Deductions	=	1,282,796	0	1,282,796	
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	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	834,217	0	834,217	
135	DEDUCT:					
136	Non-capital loss applied <b>positive number</b>	-			0	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	834,217	0	834,217	
140						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4	<b>0</b>		<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+	184,528		184,528	
143	Net Ontario Income Tax (Must agree with tax return)	+	116,790		116,790	
144	Subtotal	=	301,318	0	301,318	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	301,318	0	301,318	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	Divide Ontario
151	Blended Income Tax Rate		36.12%	*****	36.12%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	301,318	0	301,318	
157	Ontario Capital Tax	+	81,745		81,745	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	383,063	0	383,063	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Essex Powerlines Corporation</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
65						

	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: Essex Powerlines Corporation					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		35,903			
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		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Essex Powerlines Corporation</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		35,903			
12						
13						
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-				
95		-			0	
96		-			0	
97	Other deductions: (Please explain in detail the nature of the item)	-			0	
98		-			0	
99		-			0	
100					0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
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			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						

	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	<u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u>		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
8	Utility Name: Essex Powerlines Corporation				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	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	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	Income from joint ventures or partnerships	+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	0	0	0	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee 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	-	\$91,787		91,787	
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	=	91,787	0	91,787	
74						
75						

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J

PILs TAXES - EB-2008-381  
Corporate Tax Rates  
Exemptions, Deductions, or Thresholds  
Utility Name: Essex Powerlines Corporation  
Reporting period: 2005

Version 2009.1

Table 1

Rates Used in 2005 RAM PILs Applications for 2005

Income Range		0 to 400,000		400,001 to 1,128,000	>1128000
RAM 2002	Year				
Income Tax Rate					
Proxy Tax Year	2005				
Federal (Includes surtax)		13.12%		17.75%	22.12%
and Ontario blended		5.50%		9.75%	14.00%
Blended rate		18.62%		27.50%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.175%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX \$7.5MM	7,500,000			
Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000			

\*\*Exemption amounts must agree with the Board-approved 2005 RAM PILs filing

Table 2

Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Expected Rates	Year				
Income Tax Rate					
Current year	2005				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *** 2002	MAX \$7.5MM	7,500,000			
Federal Large Corporations Tax Exemption *** 2002	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 2005 Tax Returns

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
	Year				
Income Tax Rate					
Current year	2005				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.200%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX \$7.5MM	6,153,682			
Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000			

\* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36

Tax Rates



	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: Essex Powerlines Corporation														Version 2009.1
4	Reporting period: 2005				Sign Convention: + for increase; - for decrease										0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=			0		0		0		0		-5		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-									0				0
18	Deferral Account Variance Adjustment Q4, 2001 (4)														0
20	Deferral Account Variance Adjustment (5)	+/-									-5				-5
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0		0		0		0		-5		-5		-5
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(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.														
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
46															
47	(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														
48	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(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														
54	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(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.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(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														
64	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														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	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;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	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.														
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															
82															



Essex Powerlines Corporation

EB-2011-0166

Filed: October 28, 2012

Exhibit 3

Tab1

Schedule 1

Attachment2

## Attachment 2 of 2

### Disposition 1562 Deferred PILs

Distributor Information

<b>Applicant Name</b>	Essex Powerlines Corporation
<b>OEB Licence Number</b>	ED-2002-0499

Table of Contents

Sheet Name	Purpose of Sheet
<a href="#">A1.1 Distributor Information</a>	Enter LDC Data
<a href="#">A2.1 Table of Contents</a>	Table of Contents
<a href="#">A3.1 Prescribed Interest Rates</a>	Prescribed Interest Rates
<a href="#">A3.2 Annual Interest</a>	Annual Interest
<a href="#">A4.1 PILs Tax Proxy</a>	PILs Tax Proxy
<a href="#">B1.1 Rate Classes</a>	Set Up Rate Classes
<a href="#">C1.1 2002 PILs Recovered</a>	2002 PILs Recoverd
<a href="#">C1.2 2003 PILs Recovered</a>	2003 PILs Recovered
<a href="#">C1.3 Jan to Mar 2004 PILs Rec</a>	Jan to Mar 2004 PILs Recovered
<a href="#">C1.4 Apr to Dec 2004 PILs Rec</a>	Apr to Dec 2004 PILs Recovered
<a href="#">C1.5 Jan To Mar 2005 PILs Rec</a>	Jan To Mar 2005 PILs Recovered
<a href="#">C1.6 Apr to Dec 2005 PILs Rec</a>	Apr to Dec 2005 PILs Recovered
<a href="#">C1.7 Jan To Apr 2006 PILs Rec</a>	Jan To Apr 2006 PILs Recovered
<a href="#">D1.1 Total PIL's Recovered</a>	Total PIL's Recovered
<a href="#">D1.2 Total PIL's By Year</a>	Total PIL's By Year
<a href="#">E1.1 Disp of 1562 Balance</a>	Disposition of Balance Recorded in Account 1562 Deferred PILs
<a href="#">F1.1 Calc Carry Cost 2001</a>	Calculate Carrying Cost 2001
<a href="#">F1.2 Calc Carry Cost 2002</a>	Calculate Carrying Cost 2002
<a href="#">F1.3 Calc Carry Cost 2003</a>	Calculate Carrying Cost 2003
<a href="#">F1.4 Calc Carry Cost 2004</a>	Calculate Carrying Cost 2004
<a href="#">F1.5 Calc Carry Cost 2005</a>	Calculate Carrying Cost 2005
<a href="#">F1.6 Calc Carry Cost 2006</a>	Calculate Carrying Cost 2006
<a href="#">F1.7 Calc Carry Cost 2007</a>	Calculate Carrying Cost 2007
<a href="#">F1.8 Calc Carry Cost 2008</a>	Calculate Carrying Cost 2008
<a href="#">F1.9 Calc Carry Cost 2009</a>	Calculate Carrying Cost 2009
<a href="#">F1.10 Calc Carry Cost 2010</a>	Calculate Carrying Cost 2010
<a href="#">F1.11 Calc Carry Cost 2011</a>	Calculate Carrying Cost 2011
<a href="#">F1.12 Calc Carry Cost 2012</a>	Calculate Carrying Cost 2012
<a href="#">G1.1 Request for Disposition</a>	Request for Disposition of 1562 Balance

**Name of LDC: Essex Powerlines Corporation****OEB Licence Number: ED-2002-0499**

## Prescribed Interest Rates

Approved Deferral and Variance Accounts Prescribed Interest Rate (per the Bankers' Acceptances-3 months Plus 0.25 Spread)	
Q3 2001	7.25
Q2 2006	4.14
Q3 2006	4.59
Q4 2006	4.59
Q1 2007	4.59
Q2 2007	4.59
Q3 2007	4.59
Q4 2007	5.14
Q1 2008	5.14
Q2 2008	4.08
Q3 2008	3.35
Q4 2008	3.35
Q1 2009	2.45
Q2 2009	1.00
Q3 2009	0.55
Q4 2009	0.55
Q1 2010	0.55
Q2 2010	0.55
Q3 2010	0.89
Q4 2010	1.20
Q1 2011	1.47
Q2 2011	1.47
Q3 2011	1.47
Q4 2011	1.47
Q1 2012	1.47
Q2 2012	1.47



Name of LDC: **Essex Powerlines Corporation**

OEB Licence Number: **ED-2002-0499**

## Annual Interest

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2001	0.00	0.00%	0.00%
February 28, 2001	0.00	0.00%	0.00%
March 31, 2001	0.00	0.00%	0.00%
April 30, 2001	0.00	0.00%	0.00%
May 31, 2001	0.00	0.00%	0.00%
June 30, 2001	0.00	0.00%	0.00%
July 31, 2001	0.00	0.00%	0.00%
August 31, 2001	0.00	0.00%	0.00%
September 30, 2001	0.00	0.00%	0.00%
October 31, 2001	7.25	0.62%	0.62%
November 30, 2001	7.25	0.60%	1.21%
December 31, 2001	7.25	0.62%	1.83%
<b>Effective Annual Interest</b>		<b>1.83%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2002	7.25	0.62%	0.62%
February 28, 2002	7.25	0.56%	1.17%
March 31, 2002	7.25	0.62%	1.79%
April 30, 2002	7.25	0.60%	2.38%
May 31, 2002	7.25	0.62%	3.00%
June 30, 2002	7.25	0.60%	3.60%
July 31, 2002	7.25	0.62%	4.21%
August 31, 2002	7.25	0.62%	4.83%
September 30, 2002	7.25	0.60%	5.42%
October 31, 2002	7.25	0.62%	6.04%
November 30, 2002	7.25	0.60%	6.63%
December 31, 2002	7.25	0.62%	7.25%
<b>Effective Annual Interest</b>		<b>7.25%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2003	7.25	0.62%	0.62%
February 28, 2003	7.25	0.56%	1.17%
March 31, 2003	7.25	0.62%	1.79%
April 30, 2003	7.25	0.60%	2.38%
May 31, 2003	7.25	0.62%	3.00%
June 30, 2003	7.25	0.60%	3.60%
July 31, 2003	7.25	0.62%	4.21%
August 31, 2003	7.25	0.62%	4.83%
September 30, 2003	7.25	0.60%	5.42%
October 31, 2003	7.25	0.62%	6.04%
November 30, 2003	7.25	0.60%	6.63%
December 31, 2003	7.25	0.62%	7.25%
<b>Effective Annual Interest</b>		<b>7.25%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2004	7.25	0.62%	0.62%
February 29, 2004	7.25	0.58%	1.19%
March 31, 2004	7.25	0.62%	1.81%
April 30, 2004	7.25	0.60%	2.40%
May 31, 2004	7.25	0.62%	3.02%
June 30, 2004	7.25	0.60%	3.62%
July 31, 2004	7.25	0.62%	4.23%
August 31, 2004	7.25	0.62%	4.85%
September 30, 2004	7.25	0.60%	5.44%
October 31, 2004	7.25	0.62%	6.06%
November 30, 2004	7.25	0.60%	6.65%
December 31, 2004	7.25	0.62%	7.27%
<b>Effective Annual Interest</b>		<b>7.27%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2005	7.25	0.62%	0.62%
February 28, 2005	7.25	0.56%	1.17%
March 31, 2005	7.25	0.62%	1.79%
April 30, 2005	7.25	0.60%	2.38%
May 31, 2005	7.25	0.62%	3.00%
June 30, 2005	7.25	0.60%	3.60%
July 31, 2005	7.25	0.62%	4.21%
August 31, 2005	7.25	0.62%	4.83%
September 30, 2005	7.25	0.60%	5.42%
October 31, 2005	7.25	0.62%	6.04%
November 30, 2005	7.25	0.60%	6.63%
December 31, 2005	7.25	0.62%	7.25%
<b>Effective Annual Interest</b>		<b>7.25%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2006	7.25	0.62%	0.62%
February 28, 2006	7.25	0.56%	1.17%
March 31, 2006	7.25	0.62%	1.79%
April 30, 2006	4.14	0.34%	2.13%
May 31, 2006	4.14	0.35%	2.48%
June 30, 2006	4.14	0.34%	2.82%
July 31, 2006	4.59	0.39%	3.21%
August 31, 2006	4.59	0.39%	3.60%
September 30, 2006	4.59	0.38%	3.98%
October 31, 2006	4.59	0.39%	4.37%
November 30, 2006	4.59	0.38%	4.74%
December 31, 2006	4.59	0.39%	5.13%
<b>Effective Annual Interest</b>		<b>5.13%</b>	

Month	Prescribed Interest	Monthly Interest	Cummulative
January 31, 2007	4.59	0.39%	0.39%
February 28, 2007	4.59	0.35%	0.74%
March 31, 2007	4.59	0.39%	1.13%
April 30, 2007	4.59	0.38%	1.51%
May 31, 2007	4.59	0.39%	1.90%
June 30, 2007	4.59	0.38%	2.28%

July 31, 2007	4.59	0.39%	2.67%
August 31, 2007	4.59	0.39%	3.06%
September 30, 2007	4.59	0.38%	3.43%
October 31, 2007	5.14	0.44%	3.87%
November 30, 2007	5.14	0.42%	4.29%
December 31, 2007	5.14	0.44%	4.73%
<b>Effective Annual Interest</b>		<b>4.73%</b>	

<b>Month</b>	<b>Prescribed Interest</b>	<b>Monthly Interest</b>	<b>Cummulative</b>
January 31, 2008	5.14	0.44%	0.44%
February 29, 2008	5.14	0.41%	0.84%
March 31, 2008	5.14	0.44%	1.28%
April 30, 2008	4.08	0.34%	1.62%
May 31, 2008	4.08	0.35%	1.96%
June 30, 2008	4.08	0.34%	2.30%
July 31, 2008	3.35	0.28%	2.58%
August 31, 2008	3.35	0.28%	2.87%
September 30, 2008	3.35	0.28%	3.14%
October 31, 2008	3.35	0.28%	3.43%
November 30, 2008	3.35	0.28%	3.70%
December 31, 2008	3.35	0.28%	3.99%
<b>Effective Annual Interest</b>		<b>3.99%</b>	

<b>Month</b>	<b>Prescribed Interest</b>	<b>Monthly Interest</b>	<b>Cummulative</b>
January 31, 2009	2.45	0.21%	0.21%
February 28, 2009	2.45	0.19%	0.40%
March 31, 2009	2.45	0.21%	0.60%
April 30, 2009	1.00	0.08%	0.69%
May 31, 2009	1.00	0.08%	0.77%
June 30, 2009	1.00	0.08%	0.85%
July 31, 2009	0.55	0.05%	0.90%
August 31, 2009	0.55	0.05%	0.95%
September 30, 2009	0.55	0.05%	0.99%
October 31, 2009	0.55	0.05%	1.04%
November 30, 2009	0.55	0.05%	1.08%
December 31, 2009	0.55	0.05%	1.13%
<b>Effective Annual Interest</b>		<b>1.13%</b>	

<b>Month</b>	<b>Prescribed Interest</b>	<b>Monthly Interest</b>	<b>Cummulative</b>
January 31, 2010	0.55	0.05%	0.05%
February 28, 2010	0.55	0.04%	0.09%
March 31, 2010	0.55	0.05%	0.14%
April 30, 2010	0.55	0.05%	0.18%
May 31, 2010	0.55	0.05%	0.23%
June 30, 2010	0.55	0.05%	0.27%
July 31, 2010	0.89	0.08%	0.35%
August 31, 2010	0.89	0.08%	0.42%
September 30, 2010	0.89	0.07%	0.50%
October 31, 2010	1.20	0.10%	0.60%
November 30, 2010	1.20	0.10%	0.70%
December 31, 2010	1.20	0.10%	0.80%
<b>Effective Annual Interest</b>		<b>0.80%</b>	



<b>Month</b>	<b>Prescribed Interest</b>	<b>Monthly Interest</b>	<b>Cummulative</b>
January 31, 2011	1.47	0.12%	0.12%
February 28, 2011	1.47	0.11%	0.24%
March 31, 2011	1.47	0.12%	0.36%
April 30, 2011	1.47	0.12%	0.48%
May 31, 2011	1.47	0.12%	0.61%
June 30, 2011	1.47	0.12%	0.73%
July 31, 2011	1.47	0.12%	0.85%
August 31, 2011	1.47	0.12%	0.98%
September 30, 2011	1.47	0.12%	1.10%
October 31, 2011	1.47	0.12%	1.22%
November 30, 2011	1.47	0.12%	1.35%
December 31, 2011	1.47	0.12%	1.47%
<b>Effective Annual Interest</b>		<b>1.47%</b>	

<b>Month</b>	<b>Prescribed Interest</b>	<b>Monthly Interest</b>	<b>Cummulative</b>
January 31, 2012	1.47	0.12%	0.12%
February 29, 2012	1.47	0.12%	0.24%
March 31, 2012	1.47	0.12%	0.37%
April 30, 2012	1.47	0.12%	0.49%
May 31, 2012	0.00	0.00%	0.49%
June 30, 2012	0.00	0.00%	0.49%
July 31, 2012	0.00	0.00%	0.49%
August 31, 2012	0.00	0.00%	0.49%
September 30, 2012	0.00	0.00%	0.49%
October 31, 2012	0.00	0.00%	0.49%
November 30, 2012	0.00	0.00%	0.49%
December 31, 2012	0.00	0.00%	0.49%
<b>Effective Annual Interest</b>		<b>0.49%</b>	

**Name of LDC: Essex Powerlines Corporation**

**OEB Licence Number: ED-2002-0499**

### **PILs Tax Proxy**

	Year	Amount
Board-approved PILs tax proxy from Decisions	2001	310,938
Board-approved PILs tax proxy from Decisions	2002	1,108,973
Board-approved PILs tax proxy from Decisions	2005	1,271,204

**Name of LDC: Essex Powerlines Corporation**

**OEB Licence Number: ED-2002-0499**

## Rate Class Selection

Rate Group	Rate Class	Fixed Metric	Vol Metric
RES	Residential	Customer	kWh
GSLT50	General Service Less Than 50 kW	Customer	kWh
GSGT50	General Service 50 to 2,999 kW	Customer	kW
GSGT50	General Service 3,000 to 4,999 kW	Customer	kW
USL	Unmetered Scattered Load	Connection	kWh
Sen	Sentinel Lighting	Connection	kW
SL	Street Lighting	Connection	kW
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

Name of LDC:     **Essex Powerlines Corporation**  
OEB Licence Number:     **ED-2002-0499**

**PILs Recovered March to December 2002**

Rate Class	Fixed Metric	PILs Rate 2001 <b>A</b>	PILs Rate 2002 <b>B</b>	Total PILs Rate <b>C = A + B</b>	Monthly Service Charge	Cust/Conn Billed <b>D</b>	PILs Recovered <b>E = C * D * 10</b>
Residential	Customer	0.444832	1.586510	2.031341	0.0000	22,278	452,535
General Service Less Than 50 kW	Customer	0.513534	1.831540	2.345074	0.00	1,587	37,206
General Service 50 to 2,999 kW	Customer	13.906736	49.598938	63.505674	0.00	162	103,125
General Service 3,000 to 4,999 kW	Customer	160.394619	572.053920	732.448539	0.00	1	6,867
Unmetered Scattered Load	Connection	0.513534	1.831540	2.345074	0.00	133	3,129
Sentinel Lighting	Connection	0.029052	0.103614	0.132666	0.00	389	516
Street Lighting	Connection	0.015361	0.054786	0.070147	0.00	5,863	4,113
						30,413	607,490

Rate Class	Vol Metric	PILs Rate 2001 <b>A</b>	PILs Rate 2002 <b>B</b>	Total PILs Rate <b>C = A + B</b>	Distribution Charge	kWh/kW Billed Mar to Dec 2002 <b>D</b>	PILs Recovered <b>E = C * D</b>
Residential	kWh	0.000396	0.001413	0.001809	0.0000	209,026,983	378,097
General Service Less Than 50 kW	kWh	0.000101	0.000361	0.000462	0.0000	58,453,808	27,005
General Service 50 to 2,999 kW	kW	0.065796	0.234662	0.300458	0.0000	379,250	113,949
General Service 3,000 to 4,999 kW	kW	0.136611	0.487229	0.623840	0.0000	18,318	11,427
Unmetered Scattered Load	kWh	0.000101	0.000361	0.000462	0.0000	954,912	441
Sentinel Lighting	kW	0.123139	0.439182	0.562321	0.0000	852	479
Street Lighting	kW	0.090215	0.321757	0.411972	0.0000	11,741	4,837
						268,845,864	536,235

1,143,725

Name of LDC:     **Essex Powerlines Corporation**  
OEB Licence Number:     **ED-2002-0499**

**PILs Recovered 2003**

Rate Class	Fixed Metric	PILs Rate 2001 <b>A</b>	PILs Rate 2002 <b>B</b>	Total PILs Rate <b>C = A + B</b>	Monthly Service Charge	Cust/Conn Billed <b>D</b>	PILs Recovered <b>E = C * D * 12</b>
Residential	Customer	0.444832	1.586510	2.031341	0.0000	24,474	596,583
General Service Less Than 50 kW	Customer	0.513534	1.831540	2.345074	0.0000	2,073	58,326
General Service 50 to 2,999 kW	Customer	13.906736	49.598938	63.505674	0.0000	178	135,411
General Service 3,000 to 4,999 kW	Customer	160.394619	572.053920	732.448539	0.0000	1	8,741
Unmetered Scattered Load	Connection	0.513534	1.831540	2.345074	0.0000	158	4,443
Sentinel Lighting	Connection	0.029052	0.103614	0.132666	0.0000	423	673
Street Lighting	Connection	0.015361	0.054786	0.070147	0.0000	6,930	5,833
						34,236	810,010

Rate Class	Vol Metric	PILs Rate 2001 <b>A</b>	PILs Rate 2002 <b>B</b>	Total PILs Rate <b>C = A + B</b>	Distribution Charge	kWh/kW Billed 2003 <b>D</b>	PILs Recovered <b>E = C * D</b>
Residential	kWh	0.000396	0.001413	0.001809	0.0000	255,521,726	462,199
General Service Less Than 50 kW	kWh	0.000101	0.000361	0.000462	0.0000	83,947,406	38,783
General Service 50 to 2,999 kW	kW	0.065796	0.234662	0.300458	0.0000	410,110	123,221
General Service 3,000 to 4,999 kW	kW	0.136611	0.487229	0.623840	0.0000	22,414	13,983
Unmetered Scattered Load	kWh	0.000101	0.000361	0.000462	0.0000	1,305,309	603
Sentinel Lighting	kW	0.123139	0.439182	0.562321	0.0000	1,139	641
Street Lighting	kW	0.090215	0.321757	0.411972	0.0000	16,498	6,797
						341,224,604	646,226

1,456,236
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Name of LDC: **Essex Powerlines Corporation**  
 OEB Licence Number: **ED-2002-0499**

## PILs Recovered January to March 2004

Rate Class	Fixed Metric	PILs Rate 2001 <b>A</b>	PILs Rate 2002 <b>B</b>	Total PILs Rate <b>C = A + B</b>	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2004 <b>D</b>	PILs Recovered <b>E = C * D * 3</b>
Residential	Customer	0.444832	1.586510	2.031341	0.0000	26,238	159,893
General Service Less Than 50 kW	Customer	0.513534	1.831540	2.345074	0.0000	1,905	13,404
General Service 50 to 2,999 kW	Customer	13.906736	49.598938	63.505674	0.0000	271	51,638
General Service 3,000 to 4,999 kW	Customer	160.394619	572.053920	732.448539	0.0000	1	2,914
Unmetered Scattered Load	Connection	0.513534	1.831540	2.345074	0.0000	133	936
Sentinel Lighting	Connection	0.029052	0.103614	0.132666	0.0000	576	229
Street Lighting	Connection	0.015361	0.054786	0.070147	0.0000	9,327	1,963
						<b>38,451</b>	<b>230,977</b>

Rate Class	Vol Metric	PILs Rate 2001 <b>A</b>	PILs Rate 2002 <b>B</b>	Total PILs Rate <b>C = A + B</b>	Distribution Charge	kWh/kW Billed Jan To Mar 2004 <b>D</b>	PILs Recovered <b>E = C * D</b>
Residential	kWh	0.000396	0.001413	0.001809	0.0000	87,483,256	158,244
General Service Less Than 50 kW	kWh	0.000101	0.000361	0.000462	0.0000	20,083,677	9,278
General Service 50 to 2,999 kW	kW	0.065796	0.234662	0.300458	0.0000	140,464	42,204
General Service 3,000 to 4,999 kW	kW	0.136611	0.487229	0.623840	0.0000	2,285	1,425
Unmetered Scattered Load	kWh	0.000101	0.000361	0.000462	0.0000	4,871,879	2,251
Sentinel Lighting	kW	0.123139	0.439182	0.562321	0.0000	383	216
Street Lighting	kW	0.090215	0.321757	0.411972	0.0000	5,541	2,283
						<b>112,587,485</b>	<b>215,900</b>

**446,877**

**Name of LDC: Essex Powerlines Corporation**

**OEB Licence Number: ED-2002-0499**

## PILs Recovered April to December 2004

Rate Class	Fixed Metric	PILs Rate Apr to Dec 2004 <b>A</b>	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2004 <b>B</b>	PILs Recovered <b>C = A * B * 9</b>
Residential	Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 2,999 kW	Customer	0.000000	0.0000	0	0
General Service 3,000 to 4,999 kW	Customer	0.000000	0.0000	0	0
Unmetered Scattered Load	Connection	0.000000	0.0000	0	0
Sentinel Lighting	Connection	0.000000	0.0000	0	0
Street Lighting	Connection	0.000000	0.0000	0	0
				<b>0</b>	<b>0</b>

Rate Class	Vol Metric	PILs Rate Apr to Dec 2004 <b>A</b>	Distribution Charge	kWh/kW Billed Apr To Dec 2004 <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	0.003096	0.0000	191,674,165	593,478
General Service Less Than 50 kW	kWh	0.000858	0.0000	52,130,532	44,717
General Service 50 to 2,999 kW	kW	0.407686	0.0000	342,493	139,630
General Service 3,000 to 4,999 kW	kW	0.563600	0.0000	14,935	8,417
Unmetered Scattered Load	kWh	0.004550	0.0000	1,270,492	5,780
Sentinel Lighting	kW	0.893164	0.0000	726	649
Street Lighting	kW	0.661853	0.0000	10,675	7,065
				<b>245,444,018</b>	<b>799,737</b>
					<b>799,737</b>

## PILs Recovered January to March 2005

Rate Class	Fixed Metric	PILs Rate Jan To Mar <b>A</b>	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2005 <b>B</b>	PILs Recovered <b>C = A * B * 3</b>
Residential	Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 2,999 kW	Customer	0.000000	0.0000	0	0
General Service 3,000 to 4,999 kW	Customer	0.000000	0.0000	0	0
Unmetered Scattered Load	Connection	0.000000	0.0000	0	0
Sentinel Lighting	Connection	0.000000	0.0000	0	0
Street Lighting	Connection	0.000000	0.0000	0	0
				<u>0</u>	<u>0</u>

Rate Class	Vol Metric	PILs Rate Jan To Mar <b>A</b>	Distribution Charge	kWh/kW Billed Jan To Mar <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	0.003096	0.0000	70,951,634	219,687
General Service Less Than 50 kW	kWh	0.000858	0.0000	19,085,000	16,371
General Service 50 to 2,999 kW	kW	0.407686	0.0000	132,732	54,113
General Service 3,000 to 4,999 kW	kW	0.563600	0.0000	5,630	3,173
Unmetered Scattered Load	kWh	0.004550	0.0000	479,608	2,182
Sentinel Lighting	kW	0.893164	0.0000	283	253
Street Lighting	kW	0.661853	0.0000	4,022	2,662
				<u>90,658,909</u>	<u>298,441</u>
					<u>298,441</u>



**Name of LDC: Essex Powerlines Corporation**

**OEB Licence Number: ED-2002-0499**

## PILs Recovered April to December 2005

Rate Class	Fixed Metric	PILs Rate Apr to Dec 2005 <b>A</b>	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2005 <b>B</b>	PILs Recovered <b>C = A * B * 9</b>
Residential	Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 2,999 kW	Customer	0.000000	0.0000	0	0
General Service 3,000 to 4,999 kW	Customer	0.000000	0.0000	0	0
Unmetered Scattered Load	Connection	0.000000	0.0000	0	0
Sentinel Lighting	Connection	0.000000	0.0000	0	0
Street Lighting	Connection	0.000000	0.0000	0	0
				<b>0</b>	<b>0</b>

Rate Class	Vol Metric	PILs Rate Apr to Dec 2005 <b>A</b>	Distribution Charge	kWh/kW Billed Apr To Dec 2005 <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	0.003364	0.0000	189,147,082	636,296
General Service Less Than 50 kW	kWh	0.000928	0.0000	48,855,265	45,357
General Service 50 to 2,999 kW	kW	0.488855	0.0000	202,996	99,236
General Service 3,000 to 4,999 kW	kW	0.664593	0.0000	135,495	90,049
Unmetered Scattered Load	kWh	0.004722	0.0000	4,169,651	19,689
Sentinel Lighting	kW	0.944476	0.0000	745	704
Street Lighting	kW	0.673858	0.0000	11,318	7,626
				<b>242,522,551</b>	<b>898,956</b>
					<b>898,956</b>

**Name of LDC: Essex Powerlines Corporation**

**OEB Licence Number: ED-2002-0499**

## PILs Recovered January to April 2006

Rate Class	Fixed Metric	PILs Rate Jan To Apr 2006 <b>A</b>	Monthly Service Charge	Cust/Conn Billed <b>B</b>	PILs Recovered <b>C = A * B * 4</b>
Residential	Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW	Customer	0.000000	0.0000	0	0
General Service 50 to 2,999 kW	Customer	0.000000	0.0000	0	0
General Service 3,000 to 4,999 kW	Customer	0.000000	0.0000	0	0
Unmetered Scattered Load	Connection	0.000000	0.0000	0	0
Sentinel Lighting	Connection	0.000000	0.0000	0	0
Street Lighting	Connection	0.000000	0.0000	0	0
				<b>0</b>	<b>0</b>

Rate Class	Vol Metric	PILs Rate Jan To Apr 2006 <b>A</b>	Distribution Charge	kWh/kW Billed Jan To Apr 2006 <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	0.003364	0.0000	90,031,386	302,868
General Service Less Than 50 kW	kWh	0.000928	0.0000	24,057,845	22,335
General Service 50 to 2,999 kW	kW	0.488855	0.0000	82,536	40,348
General Service 3,000 to 4,999 kW	kW	0.664593	0.0000	57,102	37,950
Unmetered Scattered Load	kWh	0.004722	0.0000	-2,543,389	-12,010
Sentinel Lighting	kW	0.944476	0.0000	373	352
Street Lighting	kW	0.673858	0.0000	5,706	3,845
				<b>111,691,560</b>	<b>395,689</b>
					<b>395,689</b>

Total PIL's Recoverd

Rate Class	Fixed Metric	PILs Recovered	PILs Recovered	PILs Recovered	PILs Recovered				PILs Recovered
		Mar to Dec 2002	Jan to Dec 2003	Jan to Mar 2004	PILs Recovered Apr to Dec 2004	Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	
Residential	Customer	452,535	596,583	159,893	0	0	0	0	1,209,012
General Service Less Than 50 kW	Customer	37,206	58,326	13,404	0	0	0	0	108,936
General Service 50 to 2,999 kW	Customer	103,125	135,411	51,638	0	0	0	0	290,174
General Service 3,000 to 4,999 kW	Customer	6,867	8,741	2,914	0	0	0	0	18,522
Unmetered Scattered Load	Connection	3,129	4,443	936	0	0	0	0	8,508
Sentinel Lighting	Connection	516	673	229	0	0	0	0	1,418
Street Lighting	Connection	4,113	5,833	1,963	0	0	0	0	11,909
		607,490	810,010	230,977	0	0	0	0	1,648,477

Rate Class	Vol Metric	PILs Recovered	PILs Recovered	PILs Recovered	PILs Recovered				PILs Recovered
		Mar to Dec 2002	Jan to Dec 2003	Jan to Mar 2004	PILs Recovered Apr to Dec 2004	Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	
Residential	kWh	378,097	462,199	158,244	593,478	219,687	636,296	302,868	2,750,867
General Service Less Than 50 kW	kWh	27,005	38,783	9,278	44,717	16,371	45,357	22,335	203,847
General Service 50 to 2,999 kW	kW	113,949	123,221	42,204	139,630	54,113	99,236	40,348	612,700
General Service 3,000 to 4,999 kW	kW	11,427	13,983	1,425	8,417	3,173	90,049	37,950	166,425
Unmetered Scattered Load	kWh	441	603	2,251	5,780	2,182	19,689	-12,010	18,936
Sentinel Lighting	kW	479	641	216	649	253	704	352	3,293
Street Lighting	kW	4,837	6,797	2,283	7,065	2,662	7,626	3,845	35,116
		536,235	646,226	215,900	799,737	298,441	898,956	395,689	3,791,183

Rate Class		PILs Recovered	PILs Recovered	PILs Recovered	PILs Recovered				PILs Recovered
		Mar to Dec 2002	Jan to Dec 2003	Jan to Mar 2004	PILs Recovered Apr to Dec 2004	Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	
Residential		830,632	1,058,782	318,137	593,478	219,687	636,296	302,868	3,959,879
General Service Less Than 50 kW		64,211	97,108	22,683	44,717	16,371	45,357	22,335	312,783
General Service 50 to 2,999 kW		217,074	258,632	93,841	139,630	54,113	99,236	40,348	902,873
General Service 3,000 to 4,999 kW		18,294	22,724	4,339	8,417	3,173	90,049	37,950	184,946
Unmetered Scattered Load		3,570	5,046	3,186	5,780	2,182	19,689	-12,010	27,444
Sentinel Lighting		995	1,314	445	649	253	704	352	4,710
Street Lighting		8,950	12,630	4,245	7,065	2,662	7,626	3,845	47,024
		1,143,725	1,456,236	446,877	799,737	298,441	898,956	395,689	5,439,660

Name of LDC:     **Essex Powerlines Corporation**  
OEB Licence Number:     **ED-2002-0499**

**Total PIL's Recoverd by Year**

Rate Class	Fixed Metric	PILs Recovered		PILs Recovered		PILs Recovered	PILs Recovered	PILs Recovered
		PILs Recovered Mar to Dec 2002	Jan to Dec 2003	Jan to Dec 2004	PILs Recovered Jan to Dec 2005	Jan to Apr 2006	Total	Total
Residential	Customer	452,535	596,583	159,893	0	0		1,209,012
General Service Less Than 50 kW	Customer	37,206	58,326	13,404	0	0		108,936
General Service 50 to 2,999 kW	Customer	103,125	135,411	51,638	0	0		290,174
General Service 3,000 to 4,999 kW	Customer	6,867	8,741	2,914	0	0		18,522
Unmetered Scattered Load	Connection	3,129	4,443	936	0	0		8,508
Sentinel Lighting	Connection	516	673	229	0	0		1,418
Street Lighting	Connection	4,113	5,833	1,963	0	0		11,909
		607,490	810,010	230,977	0	0		1,648,477

Rate Class	Vol Metric	PILs Recovered		PILs Recovered		PILs Recovered	PILs Recovered	PILs Recovered
		PILs Recovered Mar to Dec 2002	Jan to Dec 2003	Jan to Dec 2004	PILs Recovered Jan to Dec 2005	Jan to Apr 2006	Total	Total
Residential	kWh	378,097	462,199	751,722	855,982	302,868		2,750,867
General Service Less Than 50 kW	kWh	27,005	38,783	53,996	61,728	22,335		203,847
General Service 50 to 2,999 kW	kW	113,949	123,221	181,833	153,349	40,348		612,700
General Service 3,000 to 4,999 kW	kW	11,427	13,983	9,843	93,222	37,950		166,425
Unmetered Scattered Load	kWh	441	603	8,031	21,871	-12,010		18,936
Sentinel Lighting	kW	479	641	864	957	352		3,293
Street Lighting	kW	4,837	6,797	9,348	10,288	3,845		35,116
		536,235	646,226	1,015,636	1,197,397	395,689		3,791,183

Rate Class	PILs Recovered		PILs Recovered		PILs Recovered	PILs Recovered	PILs Recovered
	PILs Recovered Mar to Dec 2002	Jan to Dec 2003	PILs Recovered Jan to Mar 2004	Apr to Dec 2004	Jan to Apr 2006	Total	Total
Residential	830,632	1,058,782	911,615	855,982	302,868		3,959,879
General Service Less Than 50 kW	64,211	97,108	67,400	61,728	22,335		312,783
General Service 50 to 2,999 kW	217,074	258,632	233,471	153,349	40,348		902,873
General Service 3,000 to 4,999 kW	18,294	22,724	12,756	93,222	37,950		184,946
Unmetered Scattered Load	3,570	5,046	8,967	21,871	-12,010		27,444
Sentinel Lighting	995	1,314	1,093	957	352		4,710
Street Lighting	8,950	12,630	11,311	10,288	3,845		47,024
	1,143,725	1,456,236	1,246,613	1,197,397	395,689		5,439,660

Disposition of Balance Recorded in Account 1562 Deferred PILs

Year start:		01/10/2001	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006	01/05/2006	01/01/2007	01/01/2008	01/01/2009	01/01/2010	01/01/2011	01/01/2012
Year end:		31/12/2001	31/12/2002	31/12/2003	31/12/2004	31/12/2005	30/04/2006	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011	30/04/2012
Principal Opening balance: # 1562	=		370,600	335,848	199,197	-22,377	10,868	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Board-approved PILs tax proxy from	+/-	310,938	1,108,973	1,419,911	1,186,708	1,230,646	423,735							
True-up Variance Adjustment Q4, 2001 <sup>(2)</sup>	+/-	0						0	0	0	0	0	0	0
True-up Variance Adjustment <sup>(3)</sup>	+/-		0	0	0	0		0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001 <sup>(4)</sup>	+/-	59,662						0	0	0	0	0	0	0
Deferral Account Variance Adjustment <sup>(5)</sup>	+/-		0	-100,326	-161,668	-5		0	0	0	0	0	0	0
Adjustments to reported prior years <sup>†</sup>	+/-							0	0	0	0	0	0	0
PILs collected from customers - Proxy <sup>(6)</sup>	-	0	-1,143,725	-1,456,236	-1,246,613	-1,197,397	-395,689	0	0	0	0	0	0	0
Principal Ending balance: # 1562		370,600	335,848	199,197	-22,377	10,868	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Principal Opening balance: # 1562		0	2,257	34,868	54,655	56,823	56,343	56,771	57,941	59,781	61,333	61,773	62,084	62,656
Carrying charges <sup>(7)</sup>	+/-	2,257	32,611	19,787	2,168	-479	428	1,170	1,840	1,552	440	311	572	190
Principal Ending balance: # 1562		2,257	34,868	54,655	56,823	56,343	56,771	57,941	59,781	61,333	61,773	62,084	62,656	62,846

**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:** Method #3

- (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. Per APH entries began October 1, 2001.  
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C12 and E12.  
(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 - In 2006, the prorated 2005 PILs tax proxy will used for the period from January 1, 2006 to April 30, 2006.
- (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, 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 reconciliation.
- (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, 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 I182, 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 I182, 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. Input negative number for collections.  
  
(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 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.  
  
In 2006, 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 January 1 to April 30, 2006.



**Name of LDC:** **Essex Powerlines Corporation**

**OEB Licence Number: ED-2002-0499**

## Calculate Carrying Cost 2001

Month		Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Total
Prescribed Rate		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.25%	7.25%	7.25%	
Monthly Interest		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	0	0	0	0	0	0	0	0	0	0	123,533	247,067	0
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	103,646	103,646	103,646	310,938
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	19,887	19,887	19,887	59,662
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		0	0	0	0	0	0	0	0	0	123,533	247,067	370,600	370,600
Interest on Opening Balance		0	0	0	0	0	0	0	0	0	0	736	1,521	2,257
Cummulative Interest This Year		0	0	0	0	0	0	0	0	0	0	736	2,257	
Cummulative Interest Life to Date		0	0	0	0	0	0	0	0	0	0	736	2,257	

**Name of LDC:**     **Essex Powerlines Corporation**  
**OEB Licence Number:**     **ED-2002-0499**

**Calculate Carrying Cost 2002**

Month		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	370,600	463,014	555,429	533,471	511,513	489,554	467,596	445,638	423,680	401,722	379,764	357,806	370,600
Board-approved PILs tax proxy from Decisions(1)	+/-	92,414	92,414	92,414	92,414	92,414	92,414	92,414	92,414	92,414	92,414	92,414	92,414	1,108,973
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	-114,373	-114,373	-114,373	-114,373	-114,373	-114,373	-114,373	-114,373	-114,373	-114,373	-1,143,725
Principal Ending balance: # 1562		463,014	555,429	533,471	511,513	489,554	467,596	445,638	423,680	401,722	379,764	357,806	335,848	335,848
Interest on Opening Balance		2,282	2,575	3,420	3,179	3,150	2,917	2,879	2,744	2,525	2,474	2,263	2,203	32,611
Cummulative Interest This Year		2,282	4,857	8,277	11,456	14,606	17,523	20,402	23,146	25,671	28,144	30,407	32,611	
Cummulative Interest Life to Date		4,539	7,115	10,535	13,714	16,863	19,780	22,660	25,404	27,928	30,402	32,665	34,868	

**Name of LDC:**      **Essex Powerlines Corporation**  
**OEB Licence Number:**      **ED-2002-0499**

**Calculate Carrying Cost 2003**

Month		Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	335,848	324,460	313,073	301,685	290,297	278,910	267,522	256,135	244,747	233,360	221,972	210,585	335,848
Board-approved PILs tax proxy from Decisions(1)	+/-	118,326	118,326	118,326	118,326	118,326	118,326	118,326	118,326	118,326	118,326	118,326	118,326	1,419,911
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-8,360	-8,360	-8,360	-8,360	-8,360	-8,360	-8,360	-8,360	-8,360	-8,360	-8,360	-8,360	-100,326
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-121,353	-121,353	-121,353	-121,353	-121,353	-121,353	-121,353	-121,353	-121,353	-121,353	-121,353	-121,353	-1,456,236
Principal Ending balance: # 1562		324,460	313,073	301,685	290,297	278,910	267,522	256,135	244,747	233,360	221,972	210,585	199,197	199,197
Interest on Opening Balance		2,068	1,805	1,928	1,798	1,788	1,662	1,647	1,577	1,458	1,437	1,323	1,297	19,787
Cummulative Interest This Year		2,068	3,873	5,800	7,598	9,386	11,048	12,695	14,272	15,730	17,167	18,490	19,787	
Cummulative Interest Life to Date		36,936	38,741	40,668	42,466	44,254	45,916	47,563	49,140	50,598	52,035	53,358	54,655	



Name of LDC: **Essex Powerlines Corporation**

OEB Licence Number: **ED-2002-0499**

## Calculate Carrying Cost 2004

Month		Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total
Prescribed Rate		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.58%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	199,197	135,658	72,119	8,580	5,141	1,701	-1,739	-5,178	-8,618	-12,058	-15,497	-18,937	199,197
Board-approved PILs tax proxy from Decisions(1)	+/-	98,892	98,892	98,892	98,892	98,892	98,892	98,892	98,892	98,892	98,892	98,892	98,892	1,186,708
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-13,472	-13,472	-13,472	-13,472	-13,472	-13,472	-13,472	-13,472	-13,472	-13,472	-13,472	-13,472	-161,668
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-148,959	-148,959	-148,959	-88,860	-88,860	-88,860	-88,860	-88,860	-88,860	-88,860	-88,860	-88,860	-1,246,613
Principal Ending balance: # 1562		135,658	72,119	8,580	5,141	1,701	-1,739	-5,178	-8,618	-12,058	-15,497	-18,937	-22,377	-22,377
Interest on Opening Balance		1,227	781	444	51	32	10	-11	-32	-51	-74	-92	-117	2,168
Cummulative Interest This Year		1,227	2,008	2,452	2,503	2,535	2,545	2,534	2,502	2,451	2,377	2,284	2,168	
Cummulative Interest Life to Date		55,881	56,663	57,107	57,158	57,190	57,200	57,189	57,157	57,106	57,032	56,939	56,823	

Name of LDC: **Essex Powerlines Corporation**  
OEB Licence Number: **ED-2002-0499**

Calculate Carrying Cost 2005

		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total
Month		7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Monthly Interest		0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%	
Principal Opening balance: # 1562	=	-22,377	-19,304	-16,230	-13,157	-10,488	-7,818	-5,149	-2,479	190	2,860	5,529	8,199	-22,377
Board-approved PILs tax proxy from Decisions(1)	+/-	102,554	102,554	102,554	102,554	102,554	102,554	102,554	102,554	102,554	102,554	102,554	102,554	1,230,646
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-5
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-99,480	-99,480	-99,480	-99,884	-99,884	-99,884	-99,884	-99,884	-99,884	-99,884	-99,884	-99,884	-1,197,397
Principal Ending balance: # 1562		-19,304	-16,230	-13,157	-10,488	-7,818	-5,149	-2,479	190	2,860	5,529	8,199	10,868	10,868
Interest on Opening Balance		-138	-107	-100	-78	-65	-47	-32	-15	1	18	33	50	-479
Cummulative Interest This Year		-138	-245	-345	-423	-488	-535	-566	-582	-580	-563	-530	-479	
Cummulative Interest Life to Date		56,685	56,577	56,478	56,399	56,335	56,288	56,256	56,241	56,242	56,260	56,293	56,343	

**Name of LDC:**      **Essex Powerlines Corporation**  
**OEB Licence Number:**      **ED-2002-0499**

**Calculate Carrying Cost 2006**

Month	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
Prescribed Rate	7.25%	7.25%	7.25%	4.14%	4.14%	4.14%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	
Monthly Interest	0.62%	0.56%	0.62%	0.34%	0.35%	0.34%	0.39%	0.39%	0.38%	0.39%	0.38%	0.39%	
Principal Opening balance: # 1562	=	10,868	17,880	24,891	31,903	38,914	38,914	38,914	38,914	38,914	38,914	38,914	10,868
Board-approved PILs tax proxy from Decisions(1)	+/-	105,934	105,934	105,934	105,934	0	0	0	0	0	0	0	423,735
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-98,922	-98,922	-98,922	-98,922	0	0	0	0	0	0	0	-395,689
Principal Ending balance: # 1562		17,880	24,891	31,903	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Interest on Opening Balance		67	99	153	109	137	132	152	152	147	152	147	1,598
Cummulative Interest This Year		67	166	320	428	565	697	849	1,001	1,148	1,299	1,446	1,598
Cummulative Interest Life to Date		56,410	56,510	56,663	56,771	56,908	57,041	57,192	57,344	57,491	57,643	57,789	57,941

Name of LDC: **Essex Powerlines Corporation**

OEB Licence Number: **ED-2002-0499**

## Calculate Carrying Cost 2007

Month		Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
Prescribed Rate		4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	5.14%	5.14%	5.14%	
Monthly Interest		0.39%	0.35%	0.39%	0.38%	0.39%	0.38%	0.39%	0.39%	0.38%	0.44%	0.42%	0.44%	
Principal Opening balance: # 1562	=	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Interest on Opening Balance		152	137	152	147	152	147	152	152	147	170	164	170	1,840
Cummulative Interest This Year		152	289	440	587	739	886	1,037	1,189	1,336	1,506	1,670	1,840	
Cummulative Interest Life to Date		58,093	58,230	58,381	58,528	58,680	58,827	58,978	59,130	59,277	59,447	59,611	59,781	

Name of LDC: **Essex Powerlines Corporation**

OEB Licence Number: **ED-2002-0499**

## Calculate Carrying Cost 2008

Month		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
Prescribed Rate		5.14%	5.14%	5.14%	4.08%	4.08%	4.08%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	
Monthly Interest		0.44%	0.41%	0.44%	0.34%	0.35%	0.34%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	
Principal Opening balance: # 1562	=	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Interest on Opening Balance		170	159	170	130	135	130	111	111	107	111	107	111	1,552
Cummulative Interest This Year		170	329	499	629	764	895	1,005	1,116	1,223	1,334	1,441	1,552	
Cummulative Interest Life to Date		59,951	60,110	60,280	60,410	60,545	60,676	60,786	60,897	61,004	61,115	61,222	61,333	

Name of LDC: **Essex Powerlines Corporation**

OEB Licence Number: **ED-2002-0499**

## Calculate Carrying Cost 2009

Month		Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
Prescribed Rate		2.45%	2.45%	2.45%	1.00%	1.00%	1.00%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	
Monthly Interest		0.21%	0.19%	0.21%	0.08%	0.08%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
Principal Opening balance: # 1562	=	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Interest on Opening Balance		81	73	81	32	33	32	18	18	18	18	18	18	440
Cummulative Interest This Year		81	154	235	267	300	332	350	368	386	404	422	440	
Cummulative Interest Life to Date		61,414	61,487	61,568	61,600	61,633	61,665	61,683	61,701	61,719	61,737	61,755	61,773	

**Name of LDC:** Essex Powerlines Corporation

**OEB Licence Number:** ED-2002-0499

## Calculate Carrying Cost 2010

Month	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Prescribed Rate	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.89%	0.89%	0.89%	1.20%	1.20%	1.20%	
Monthly Interest	0.05%	0.04%	0.05%	0.05%	0.05%	0.05%	0.08%	0.08%	0.07%	0.10%	0.10%	0.10%	
Principal Opening balance: # 1562	=	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>
Interest on Opening Balance		18	16	18	18	18	18	29	29	28	40	38	40
Cummulative Interest This Year		18	35	53	70	89	106	136	165	193	233	271	311
Cummulative Interest Life to Date		61,791	61,807	61,826	61,843	61,861	61,879	61,908	61,938	61,966	62,006	62,044	62,084



Name of LDC: **Essex Powerlines Corporation**

OEB Licence Number: **ED-2002-0499**

## Calculate Carrying Cost 2011

Month	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total
Prescribed Rate	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	
Monthly Interest	0.12%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
Principal Opening balance: # 1562	=	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914	38,914
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>	<u>38,914</u>
Interest on Opening Balance		49	44	49	47	49	47	49	49	47	49	47	49
Cummulative Interest This Year		49	92	141	188	237	284	332	381	428	476	523	572
Cummulative Interest Life to Date		62,133	62,176	62,225	62,272	62,321	62,368	62,416	62,465	62,512	62,560	62,607	62,656

**Name of LDC:** **Essex Powerlines Corporation**

**OEB Licence Number: ED-2002-0499**

## Calculate Carrying Cost 2012

[illegible]



*ED Disposition 1562 Balance release 1.0 © Elenchus Research Associates*

**Name of LDC: Essex Powerlines Corporation**

**OEB Licence Number: ED-2002-0499**

## **Request for Disposition of 1562 Balance**

Principal as of April 30, 2012	38,914
Interest as of April 30, 2012	62,846
Amount Requested for Disposition of 1562 Balance	<u>101,760</u>

## **Exhibit 3**

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### **Tab 2 of 2**

## **Historical Data**

1 Historical Data

2

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3

Essex Powerlines Corporation

EB-2011-0166

Filed: October 28, 2012

Exhibit 3

Tab2

Schedule 1

Appendix1

## Appendix 1 of 6

### OEB Board Decisions



RP-2002-0037

EB-2002-0046

**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 Essex  
Powerlines Corporation 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.

Essex Powerlines Corporation ("the Applicant") filed an Application ("the Application"), dated February 19, 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 submission named a specific electricity distributor, in other cases it did not. The Applicant was not named in any of the submissions.

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

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

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.
- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$699,904

- the 2001 deferred Payments in Lieu of Taxes (PILs), \$310,938.
- the 2002 Payments in Lieu of Taxes (PILs), \$1,222,789.
- a provision in the amount of \$189,863 to account for one-third of the incremental annual cost resulting from the CICA reporting requirement change for post-retirement benefits.

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. The Applicant incorrectly included the amount of the post-retirement benefit provision in its 2002 PILs calculation. As a result,

- the 2002 Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of \$113,816.


Subject to these adjustments, the Board finds that the Applicant's proposals conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

**THE BOARD ORDERS THAT:**

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

DATED at Toronto, February 28, 2002.

ONTARIO ENERGY BOARD

  
\_\_\_\_\_  
Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0037  
EB-2002-0046

February 28, 2002

ONTARIO ENERGY BOARD

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

---

Peter H. O'Dell  
Assistant Board Secretary

**Essex Powerlines Corporation**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0037

RP-2002-0046

*March-May*

*May*  
*Dec*  
*2002*

**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  
 including New Year's Day, Good Friday, Victoria Day,  
 Labour Day, Thanksgiving Day, Christmas Day, Boxing Day.  
 Off Peak: All Other Hours.

holidays  
 day (Toronto)

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

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$11.15
Distribution Volumetric Rate	(per kWh)	\$0.0099
Cost of Power Rate	(per kWh)	\$0.0745

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$12.87
Distribution Volumetric Rate	(per kWh)	\$0.0025
Cost of Power Rate	(per kWh)	\$0.0733

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$348.64
Distribution Volumetric Rate	(per kW)	\$1.6495
Cost of Power Demand Rate	(per kW)	\$3.5788
Cost of Power Energy Rate	(per kWh)	\$0.0591

**GENERAL SERVICE INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$4,021.10
Distribution Volumetric Rate	(per kW)	\$3.4249
Cost of Power - Winter Peak	(per kW)	\$11.9300
Cost of Power - Summer Peak	(per kW)	\$5.5500
Cost of Power - Winter Peak	(per kWh)	\$0.0707
Cost of Power - Winter Off Peak	(per kWh)	\$0.0422
Cost of Power - Summer Peak	(per kWh)	\$0.0649
Cost of Power - Summer Off Peak	(per kWh)	\$0.0329

**Essex Powerlines Corporation**  
**Schedule of Rates and Charges -- Page 2**  
Effective March 1, 2002

RP-2002-0037  
EB-2002-0046

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.73
Distribution Volumetric Rate	(per kW)	\$3.0884
Cost of Power Demand Rate	(per kW)	\$22.9507

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.39
Distribution Volumetric Rate	(per kW)	\$2.2617
Cost of Power Demand Rate	(per kW)	\$22.8718

**UN-METERED SCATTERED LOAD**

Monthly Service Charge	(per month)	\$8.18
Distribution Volumetric Rate	(per kWh)	\$0.0251
Cost of Power Rate	(per kWh)	\$0.0703

**SPECIFIC SERVICE CHARGES**

New Account Setup	\$10.00
Change of Occupancy	\$10.00
Arrear's Certificate	\$12.00
Late Payment per month)	1.50%
(per annum)	19.56%
Dispute Involvement Charge	\$10.00
Returned Cheque (plus actual Bank Charges)	\$21.00
Collection of Account Charge	\$9.00
Disconnect/Reconnect Charges (non payment of account)	
At Meter - During Regular Hours	\$25.00
At Meter - After Hours	\$110.00
Temporary Pole Service	\$125.00
Service Charge on Customer owned Equipment	\$30.00
Transformer Ownership Credit - per kw of billing demand for transformation that meets utility transformer loss specifications	\$ .60 per kW





1

**RP-2004-0045**

**EB-2004-0031**

2

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

3

**AND IN THE MATTER OF** an Application by Essex  
PowerLines Corporation for an order or orders approving or  
fixing just and reasonable rates.

4

**BEFORE:**

5

Bob Betts  
Presiding Member

6

Paul Vlahos  
Member

7

#### DECISION AND ORDER

8

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.

9

The Applicant filed an application for such adjustment. Notice of the proceeding was published on February 5, 2004 in major newspapers in the province.

10

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.

11

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 11, 2004.  
**ONTARIO ENERGY BOARD**

Peter H. O'Dell  
Assistant Secretary



**RP-2005-0013**  
**EB-2005-0026**

**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 **Essex  
Powerlines Corp.** 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 proceedings 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:** \$ 699,904

**2005 PILs Proxy:** \$ 1,271,204

**Regulatory Assets Second Tranche:** \$ 617,772

The Applicant also applied for recovery of amounts and/or items outside of the guidelines. Specifically, the Applicant requested an allocation of costs to the customer classes that differed from the method in the filing guideline.

## **Submissions**

The Board received one submission which addressed the 2005 rate setting process in general. This submission was made by School Energy Coalition (SEC). SEC objected to the guideline which caused the recovery of the 2005 PILs proxy to be reflected only on the variable charge. SEC was also concerned that monthly service charges and overall distribution charges varied significantly between utilities across the province. SEC also raised concerns regarding the consistency of, and access to, information on the applications as filed by the utilities.

Reply submissions to SEC's general submissions were received from the Coalition of Large Distributors, the Electricity Distributors Association, Hydro One Networks, and the LDC Coalition (a group of 7 distributors). These parties generally argued against the recommendations put forward by SEC, by and large indicating that the Board's existing processes for 2006 and 2007 have been planned to address these issues going forward and that these issues should not be added to the 2005 rates adjustment process.

SEC made specific submissions for this application regarding the re-allocation of both RSVA and non-RSVA Regulatory Asset recoveries. SEC submitted that the Applicant should follow the Board model.

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 allocation of RSVA and non-RSVA amounts to conform with Board guidelines.

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 22, 2005

ONTARIO ENERGY BOARD

Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2005-0013  
EB-2005-0026

March, 22 2005

ONTARIO ENERGY BOARD



**Essex Powerlines Corp.**  
**Schedule of Changed Distribution Rates and Charges**

Effective Date: March 1, 2005  
Implementation Date: April 1, 2005

RP-2005-0013

EB-2005-0026

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$10.20
Distribution Volumetric Rate	(per kWh)	\$0.0142

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$11.78
Distribution Volumetric Rate	(per kWh)	\$0.0036

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$319.01
Distribution Volumetric Rate	(per kW)	\$2.1896

**GENERAL SERVICE > 50 KW (Time of Use) Interval**

Monthly Service Charge	(per month)	\$319.01
Distribution Volumetric Rate	(per kW)	\$2.4960

**GENERAL SERVICE INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$3,679.34
Distribution Volumetric Rate	(per kW)	\$4.1625

**Unmetered Scattered Load**

Monthly Service Charge	(per connection)	\$8.17
Distribution Volumetric Rate	(per kW)	\$0.0293

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.67
Distribution Volumetric Rate	(per kW)	\$4.2448

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.36
Distribution Volumetric Rate	(per kW)	\$3.0608

The rates on this schedule include an interim recovery of Regulatory Assets.



Essex Powerlines Corporation

EB-2011-0166

Filed: October 28, 2012

Exhibit 3

Tab2

Schedule 1

Appendix2

## Appendix 2 of 6

Original Board Approved SIMPILS

	A	B	C	D
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>			
2	<b>REGULATORY INFORMATION (REGINFO)</b>			
3				
4	Utility Name Essex Powerlines Corporation			<b>Amount</b>
5	Reporting period: October 1 - December 31, 2001			
6				
7	<b>BACKGROUND</b>			
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	Dec. 31
16				
17	<b>MARR NO TAX CALCULATIONS</b>			
18	<b>SHEET #7 FINAL RUD MODEL DATA</b>			
19	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>			
20	<b>USE BOARD-APPROVED AMOUNTS</b>			
21				
22	Rate base (wires-only)			28,722,176.3
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			2,460,054
33				
34	1999 return from RUD Sheet #7			360,343
35				
36	Total Incremental revenue			2,099,711
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			699,904
40	Amount allowed in 2002, Year 2			699,904
41	Amount allowed in 2003, Year 3			699,904
42				
43	Equity			14,361,088
44				
45	Return at target ROE			1,418,876
46				
47	Debt			14,361,088
48				
49	Deemed interest amount in EBIT			1,041,179
50				
51	Phase-in of interest - Year 1			448,733
52	$((D34+D39)/D32)*D49$			
53	Phase-in of interest - Year 2			744,956
54	$((D34+D39+D40)/D32)*D49$			
55	Phase-in of interest - Year 3 (D49)			1,041,179
56				

[illegible]

[illegible]

[illegible]

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
7	Utility Name: Essex Powerlines Corporation					
8	Reporting period: October 1 - December 31, 2001					
9						
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"					
11	Column K					
12	<b>I) CORPORATE INCOME TAXES</b>					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue	1	933,525	0	933,525	
16	Other Income	2	122,544	0	122,544	
17	Expenses					
18	Administration	3	-734,932		-734,932	
19	Distribution	4	-304,619		-304,619	
20	Operations and Maintenance	5			0	
21	Depreciation and Amortization	6	-231,100		-231,100	
22	Municipal Property Taxes	7			0	
23	Ontario Capital Tax	8	-24,422		-24,422	
24	Federal LCT	9	-12,182		-12,182	
25						
26	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	10	<b>-251,186</b>	<b>0</b>	<b>-251,186</b>	1C
27						
28	BOOK TO TAX ADDITIONS:					
29	Depreciation & Amortization		231,100	0	231,100	2C
30	Federal Large Corporation Tax		12,182	0	12,182	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			<b>243,282</b>	<b>0</b>	<b>243,282</b>	
37	<i>Other Additions:</i> <b>(From T2 S1)</b>					
38	Recapture of CCA		0		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	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	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	<i>Other Additions:</i>				0	7C
83					0	
84	<i>Total Other Additions</i>		0	0	0	7C
85						
86	<b>Total Additions</b>		<b>243,282</b>	<b>0</b>	<b>243,282</b>	
87						
88	<b>BOOK TO TAX DEDUCTIONS:</b>					
89	Capital cost allowance		-283,610		-283,610	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		-138,444		-138,444	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			-422,054	0	-422,054	
97	<i>Other deductions: (From T2 S1)</i>					
98	Grossed up Part VI.1 tax (preferred shares)				0	13C
99	Amortization of eligible capital expenditures				0	13C
100	Amortization of debt and equity issue cost				0	13C
101	Loss carryback to prior period				0	13C
102	Contributions to deferred income plans				0	13C
103	Contributions to pension plans				0	13C
104	Income from subsidiaries				0	13C
105	Income from joint ventures				0	13C
106	Gain on disposal of assets				0	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction				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	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	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	<i>Other deductions:</i>				0	13C
131					0	
132					0	
133	<i>Total Other Deductions</i>		0	0	0	13C
134						
135	Total Deductions		-422,054	0	-422,054	
136						
137						
138	<b><u>TAXABLE INCOME</u></b>		-429,958	0	-429,958	
139						
140						
141						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
142						
143						
144	<b>ONTARIO CAPITAL TAX</b>					
145						
146	<b>PAID-UP CAPITAL</b>					
147						
148	Paid-up capital stock		5		5	
149	Retained earnings (if deficit, deduct)		-417,919		-417,919	
150	Capital and other surplus excluding				0	
151	appraisal surplus				0	
152	Loans and advances		26,397,389		26,397,389	
153	Bank loans		5,500,000		5,500,000	
154	Bankers acceptances				0	
155	Bonds and debentures payable				0	
156	Mortgages payable				0	
157	Lien notes payable				0	
158	Deferred credits				0	
159	Contingent, investment, inventory and				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		31,479,475	0	31,479,475	
165	Subtract:					
166	Amounts deducted for income tax				0	
167	purposes in excess of amounts booked		5,541,062		5,541,062	
168	Deductible R&D expenditures and ONTTI				0	
169	costs deferred for income tax				0	
170					0	
171	<b>Total (Net) Paid-up Capital</b>		37,020,537	0	37,020,537	
172						
173	<b>ELIGIBLE INVESTMENTS</b>					
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	<b>Total Eligible Investments</b>		0	0	0	
185						
186						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
187						
188	<b>TOTAL ASSETS</b>					
189						
190	Total assets per balance sheet		36,695,175		36,695,175	
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	<b>Total assets as adjusted</b>		36,695,175	0	36,695,175	
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		5,541,062		5,541,062	
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	<b>Total Assets</b>		42,236,238	1	42,236,239	
213						
214	<b>Investment Allowance</b>					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		0	0	0	
218						
219	<b>Taxable Capital</b>					
220						
221	Net paid-up capital		37,020,537	0	37,020,537	
222	Subtract: Investment Allowance		0	0	0	
223					0	
224	Taxable Capital		37,020,537	0	37,020,537	
225						
226	<b>Capital Tax Calculation</b>					
227						
228	Taxable capital		37,020,537	0	37,020,537	16C
229						
230	Deduction from taxable capital up to \$5,000,000		-4,545,100		-4,545,100	17C
231						
232	Net Taxable Capital		32,475,437	0	32,475,437	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		92	92	92	
237	Divide days by 365		0.2521	0.2521	0.2521	
238						
239	<b>Ontario Capital Tax</b>		24,557	0	24,557	
240						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
241						
242						
243	<b>LARGE CORPORATION TAX</b>					
244						
245	<b>CAPITAL</b>					
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		5		5	
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		26,397,389		26,397,389	
256	All indebtedness- bonds, debentures, notes,				0	
257	mortgages, bankers acceptances, or similar				0	
258	obligations		5,500,000		5,500,000	
259	Any dividends declared but not paid				0	
260	All other indebtedness outstanding for more				0	
261	than 365 days				0	
262						
263	Subtotal		31,897,394	0	31,897,394	
264						
265	DEDUCT:					
266	Deferred tax debit balance				0	
267	Any deficit deducted in computing				0	
268	shareholders' equity		-417,919		-417,919	
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		-417,919	0	-417,919	
275						
276	<b>Capital for the year</b>		31,479,475	0	31,479,475	
277						
278	<b>INVESTMENT ALLOWANCE</b>					
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	<b>Investment Allowance</b>		0	0	0	
291						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
292						
293	<b>TAXABLE CAPITAL</b>					
294						
295	Capital for the year		31,479,475	0	31,479,475	
296						
297	Deduct: Investment allowance		0	0	0	
298						
299	Taxable Capital for taxation year		31,479,475	0	31,479,475	19C
300						
301	Deduct: Capital Deduction \$10,000,000		-10,000,000		-10,000,000	20C
302						
303	<b>Taxable Capital</b>		21,479,475	0	21,479,475	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		92	92	92	
308	Divide days by 365		0.2521	0.2521	0.2521	
309						
310	<b>Gross Part I.3 Tax LCT</b>		12,182	0	12,182	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		0	0	-4,816	
315						
316	<b>Net Part I.3 Tax LCT Payable</b>		12,181	0	16,997	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319			36,738			
320						

	A	B	C	D
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>			
2	<b>REGULATORY INFORMATION (REGINFO)</b>			
3				
4	Utility Name			<b>Amount</b>
5	Reporting period			
6				
7	<b>BACKGROUND</b>			
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	Dec. 31
16				
17	<b>MARR NO TAX CALCULATIONS</b>			
18	<b>SHEET #7 FINAL RUD MODEL DATA</b>			
19	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>			
20	<b>USE BOARD-APPROVED AMOUNTS</b>			
21				
22	Rate base (wires-only)			28,722,176.3
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			2,460,054
33				
34	1999 return from RUD Sheet #7			360,343
35				
36	Total Incremental revenue			2,099,711
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			699,904
40	Amount allowed in 2002, Year 2			699,904
41	Amount allowed in 2003, Year 3			699,904
42				
43	Equity			14,361,088
44				
45	Return at target ROE			1,418,876
46				
47	Debt			14,361,088
48				
49	Deemed interest amount in EBIT			1,041,179
50				
51	Phase-in of interest - Year 1			448,733
52	$((D34+D39)/D32)*D49$			
53	Phase-in of interest - Year 2			744,956
54	$((D34+D39+D40)/D32)*D49$			
55	Phase-in of interest - Year 3 (D49)			1,041,179
56				

[illegible]



[illegible]

[illegible]

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	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	<b>I) CORPORATE INCOME TAXES</b>					
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	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	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	<i>Other Additions:</i> (From T2 S1)					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees				0	7C
41	Meals and entertainment				0	7C
42	Automobile				0	7C
43	Life insurance premiums				0	7C
44	Company pension plans				0	7C
45	Advertising				0	7C
46	Interest and penalties on taxes				0	7C
47	Legal and accounting fees				0	7C
48	Debt issue expenses				0	7C
49	Capital items expensed				0	7C
50	All crown charges, royalties, rentals				0	7C
51	Deemed dividend income				0	7C
52	Deemed interest on loans to non-residents				0	7C
53	Deemed interest received				0	7C
54	Development expenses claimed				0	7C
55	Dividend stop-loss adjustments				0	7C
56	Dividends credited to investment account				0	7C
57	Investment tax credit				0	7C
58	Financing fees deducted in books				0	7C
59	Foreign accrual property income				0	7C
60	Foreign affiliate property income				0	7C
61						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			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	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	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	<i>Other deductions:</i>				0	13C
131					0	
132					0	
133	<i>Total Other Deductions</i>		0	0	0	13C
134						
135	<i>Total Deductions</i>		0	0	0	
136						
137						
138	<b><u>TAXABLE INCOME</u></b>		0	0	0	
139						
140						
141						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
142						
143						
144	<b>ONTARIO CAPITAL TAX</b>					
145						
146	<b>PAID-UP CAPITAL</b>					
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 payable				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	<b>Total (Net) Paid-up Capital</b>		0	0	0	
172						
173	<b>ELIGIBLE INVESTMENTS</b>					
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	<b>Total Eligible Investments</b>		0	0	0	
185						
186						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
187						
188	<b>TOTAL ASSETS</b>					
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	<b>Total assets as adjusted</b>		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	<b>Total Assets</b>		1	1	2	
213						
214	<b>Investment Allowance</b>					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		0	0	0	
218						
219	<b>Taxable Capital</b>					
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	<b>Capital Tax Calculation</b>					
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	<b>Ontario Capital Tax</b>		0	0	0	
240						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
241						
242						
243	<b>LARGE CORPORATION TAX</b>					
244						
245	<b>CAPITAL</b>					
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	<b>Capital for the year</b>		0	0	0	
277						
278	<b>INVESTMENT ALLOWANCE</b>					
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	<b>Investment Allowance</b>		0	0	0	
291						



	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
292						
293	<b>TAXABLE CAPITAL</b>					
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	<b>Taxable Capital</b>		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	<b>Gross Part I.3 Tax LCT</b>		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	<b>Net Part I.3 Tax LCT Payable</b>		0	0	0	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						

	A	B	C	D	E
1	<b>SIMPIL RRR FILING</b>				<b>Version 2005.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				<b>RRR # 2.1.8</b>
3	<b>Utility Name: Essex Powerlines Corporation</b>			Colour Code	
4	<b>Reporting period: 2005</b>			<b>Input Cell</b>	
5				<b>Formula in Cell</b>	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Y	
20	shared among the corporate group?	LCT	Y/N	Y	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		82%	
22	Cells C68 & C77 in the TAXCALC spreadsheet.	LCT		78%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			28,722,176	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,460,054	
42					
43	1999 return from RUD Sheet #7			360,343	360,343
44					
45	Total Incremental revenue			2,099,711	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in Year 1 - 2001			699,904	699,904
48	Amount allowed in Year 2 - 2002			699,904	699,904
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; <b>no gross-up</b> ; (with approved CDM plan)			699,904	699,904
52	Other adjustments approved by the Board			188,656	188,656
53					0
54	<b>Total Regulatory Income</b>				<b>2,648,711</b>
55					
56	Equity			14,361,088	
57					
58	Return at target ROE			1,418,875	
59					
60	Debt			14,361,088	
61					
62	Deemed interest amount in 100% of MARR			1,041,179	
63					
64	Phase-in of interest - Year 1 (2001)			448,733	
65	((D43+D47)/D41)*D62				
66	Phase-in of interest - Years 2, 3 & 4 (2002, 2003,2004)			744,956	
67	((D43+D47+D48)/D41)*D62 (Due to Bill 210)				
68	Phase-in of interest - Year 3 (2005) and forward			1,041,179	
69					
70					
71					
72					

	A	B	C	D	E	F	G	H	I	J	K	L
1	SIMPIL RRR FILING	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2005.1	
6			\$						\$		\$	
7	Utility Name: Essex Powerlines Corporation											
8	Reporting period: 2005											
9	Days in reporting period:	365	days									
10	Total days in the calendar year:	365	days									
11												
12												
13	II) CORPORATE INCOME TAXES											
14												
15	Regulatory Net Income REGINFO E54	1	2,648,711						-1,018,668		1,630,043	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions:											
20	Depreciation & Amortization	2	1,559,167						-287,026		1,272,141	
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							0		0	
24	Regulatory Adjustments - increase in income	5							0		0	
25	Regulatory Assets - to balance to tax return								0		0	
26	Other Additions (See Tab entitled "TAXREC")											
27	"Material" Items from "TAXREC" worksheet	6							0		0	
28	Other Additions (not "Material") "TAXREC"	6							0		0	
29	"Material" Items from "TAXREC 2" worksheet	6							0		0	
30	Other Additions (not "Material") "TAXREC 2"	6							0		0	
31												
32	Deductions: Input positive numbers											
33	Capital Cost Allowance and CEC	7	957,017						233,992		1,191,009	
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	Regulatory Assets - to balance to tax return								0		0	
38	Interest Expense Deemed/ Incurred	11	1,041,179						-256,008		785,171	
39	Tax reserves - end of year	4							0		0	
40	Reserves from financial statements - beginning of year	4							0		0	
41	Contributions to deferred income plans	3							0		0	
42	Contributions to pension plans	3							0		0	
43	Interest capitalized for accounting but deducted for tax	11							0		0	
44	Other Deductions (See Tab entitled "TAXREC")											
45	CDM 2005 incremental OM&A expenses per 2005 PILs model	12	74,091						-74,091		0	
46	"Material" Items from "TAXREC" worksheet	12							91,787		91,787	
47	Other Deductions (not "Material") "TAXREC"	12							0		0	
48	Material Items from "TAXREC 2" worksheet	12							0		0	
49	Other Deductions (not "Material") "TAXREC 2"	12							0		0	
50												
51	TAXABLE INCOME/ (LOSS)		2,135,591						-1,301,374	Before loss C/F	834,217	
52												
53	BLENDED INCOME TAX RATE											
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%						-0.0001%	Formula	36.12%	
55												
56	REGULATORY INCOME TAX		771,376						-470,058	Actual	301,318	
57												
58												
59	Miscellaneous Tax Credits	14							0	Actual	0	
60												
61	Total Regulatory Income Tax		771,376						-470,058	Actual	301,318	
62												
63												
64	II) CAPITAL TAXES											
65												
66	Ontario											
67	Base	15	28,722,176						4,679,814		33,401,990	
68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000						-1,346,318		6,153,682	
69	Taxable Capital		21,222,176						3,333,496		27,248,308	
70												
71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.3000%		0.3000%	
72												
73	Ontario Capital Tax		63,667						18,078		81,745	
74												
75	Federal Large Corporations Tax											
76	Base	18	28,722,176						-28,722,176		0	
77	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000						-50,000,000		0	
78	Taxable Capital		0						-78,722,176		0	
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)		0						0		0	
83	Less: Federal Surtax 1.12% x Taxable Income	21	0						9,343		9,343	
84												
85	Net LCT		0						0		0	
86												

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>SIMPIL RRR FILING</b>	<b>ITEM</b>	<b>Initial</b>						M of F	M of F	<b>M of F</b>	
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>						Filing	Filing	<b>Filing</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	<b>RRR # 2.1.8</b>										<b>Version 2005.1</b>	
6			\$						\$		\$	
87	<b>III) INCLUSION IN RATES</b>											
88												
89	Income Tax Rate used for gross- up		36.12%									
90												
91	Income Tax (proxy tax is grossed-up)	22	1,207,538							<b>Actual 2005</b>	301,318	
92	LCT (proxy tax is grossed-up)	23	0							<b>Actual 2005</b>	0	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	63,667							<b>Actual 2005</b>	81,745	
94												
95												
96	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2005</b>	25	1,271,205							<b>Actual 2005</b>	383,063	
97	<b>RAM DECISION</b>											
98												
99												
100	<b>IV) FUTURE TRUE-UPS</b>											
101	<b>IV a) Calculation of the True-up Variance</b>								<b>DR/(CR)</b>			
102	<b>In Additions:</b>											
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							0			
106	Regulatory Adjustments	5							0			
107	Other additions "Material" Items TAXREC	6							0			
108	Other additions "Material" Items TAXREC 2	6							0			
109	<b>In Deductions - positive numbers</b>											
110	Employee Benefit Plans - Paid Amounts	8							0			
111	Items Capitalized for Regulatory Purposes	9							0			
112	Regulatory Adjustments	10							0			
113	Interest Adjustment for tax purposes (See Below - cell I207)	11							0			
114	Tax reserves claimed in current year	4							0			
115	Reserves from F/S beginning of year	4							0			
116	Contributions to deferred income plans	3							0			
117	Contributions to pension plans	3							0			
118	Other deductions "Material" Items TAXREC	12							91,787			
119	Other deductions "Material" Item TAXREC 2	12							0			
120												
121	Total TRUE-UPS before tax effect	26						=	-91,787			
122												
123	Income Tax Rate from 2005 Utility's tax return							x	36.12%			
124												
125	Income Tax Effect on True-up adjustments							=	-33,153			
126												
127	Less: Miscellaneous Tax Credits	14							0			
128												
129	Total Income Tax on True-ups								-33,153			
130												
131	Income Tax Rate used for gross-up								35.00%			
132												
133	<b>TRUE-UP VARIANCE ADJUSTMENT</b>								-51,005			
134												
	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>											
135												
136												
137	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	2,135,591			
138												
139	REVISED CORPORATE INCOME TAX RATE							x	36.12%			
140												
141	REVISED REGULATORY INCOME TAX							=	771,376			
142												
143	Less: Revised Miscellaneous Tax Credits							-	0			
144												
145	Total Revised Regulatory Income Tax							=	771,376			
146												
	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C61)							-	771,376			
147												
148												
149	Regulatory Income Tax Variance							=	0			
150												
151	<b>Ontario Capital Tax</b>											
152	Base							=	28,722,176			
153	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	7,500,000			
154	Revised deemed taxable capital							=	21,222,176			
155												
156	Rate - Tab Tax Rates cell C54							x	0.3000%			
157												
158	Revised Ontario Capital Tax							=	63,667			
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C73)							-	63,667			
159												
160	Regulatory Ontario Capital Tax Variance							=	0			

	A	B	C	D	E	F	G	H	I	J	K	L
1	SIMPIL RRR FILING	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	RRR # 2.1.8										Version 2005.1	
6			\$						\$		\$	
161												
162	Federal LCT											
163	Base								28,722,176			
164	Less: Exemption from tab Tax Rates, Table 2, cell C40							-	50,000,000			
165	Revised Federal LCT							=	-21,277,824			
166												
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C55								0.1750%			
168												
169	Gross Amount								0			
170	Less: Federal surtax							-	0			
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								35.00%			
177												
178	Income Tax (grossed-up)							+	0			
179	LCT (grossed-up)							+	0			
180	Ontario Capital Tax							+	0			
181												
182	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT							=	0			
183												
184	TRUE-UP VARIANCE (from cell I133)							+	-51,005			
185												
186	Total Deferral Account Entry (Positive Entry = Debit)							=	-51,005			
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)								1,041,179			
195	Interest phased-in (Cell C38)								1,041,179			
196												
197	Variance due to phase-in of debt component of MARR in rates								0			
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 K38+K43)								785,171			
203	Total deemed interest (REGINFO CELL D62)								1,041,179			
204												
205	Variance caused by excess debt								0			
206												
207	Interest Adjustment for Tax Purposes (carry forward to Cell I113)								0			
208												
209	Total Interest Variance								0			
210												



	A	B	C	D	E	F
1	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	<b>Return</b>	
4	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2005.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Essex Powerlines Corporation					
8	Reporting period: 2005					
9	Taxation Year's start date:		38,353			
10	Taxation Year's end date:		38,717			
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		35,903	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statement data:</b>					
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	<b>Income:</b>					
31	Energy Sales	+	44,683,758		44,683,758	
32	Distribution Revenue	+	9,236,615		9,236,615	
33	Other Income	+	353,867		353,867	
34	Miscellaneous income	+	92,758		92,758	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	44,683,758		44,683,758	
40	Administration	-	2,536,194		2,536,194	
41	Customer billing and collecting	-	1,341,336		1,341,336	
42	Operations and maintenance	-	2,636,733		2,636,733	
43	Amortization (links to C61 below)	-	1,272,141		1,272,141	
44	Ontario Capital Tax	-	81,745		81,745	
45	CDM Expenses for 2005	-	185,048		185,048	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	1,630,043	0	1,630,043	
51	Less: Interest expense for accounting purposes	-	785,171		785,171	
52	Provision for payments in lieu of income taxes	-	301,318		301,318	
53	<b>Net Income (loss)</b>	=	543,554	0	543,554	
54	(The Net Income (loss) in the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	301,318	0	301,318	
60	Federal large corporations tax	+			0	
61	Depreciation & Amortization	+	1,272,141	0	1,272,141	
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	+	0	0	0	
65	Regulatory adjustments	+			0	
66	Regulatory Assets changes	+			0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		1,573,459	0	1,573,459	
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	=	1,573,459	0	1,573,459	
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 deductions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						

	A	B	C	D	E	F
1	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	<b>Return</b>	
4	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2005.1</b>	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,191,009		1,191,009	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	Regulatory Assets changes				0	
105	<i>Tax reserves - end of year</i>	-	0	0	0	
106	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
107	<i>Contributions to deferred income plans</i>	-			0	
108	<i>Contributions to pension plans</i>	-			0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	1,191,009	0	1,191,009	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118	Capital tax per CT23		91,787		91,787	
119		-			0	
120	<i>Total Other Deductions</i>	=	91,787	0	91,787	
121						
122	Total Deductions	=	1,282,796	0	1,282,796	
123						
124	<b>Recap Material Deductions:</b>					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			91,787	0	91,787	
129			0	0	0	
130	<i>Total Other Deductions exceed materiality level</i>		91,787	0	91,787	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		91,787	0	91,787	
133						
134	<b>TAXABLE INCOME</b>	=	834,217	0	834,217	
135	DEDUCT:					
136	Non-capital loss applied <i>positive number</i>	-			0	
137	Net capital loss applied <i>positive number</i>	-			0	
138					0	
139	NET TAXABLE INCOME	=	834,217	0	834,217	
140						
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax <i>(Must agree with tax return)</i>	+	184,528		184,528	
143	Net Ontario Income Tax <i>(Must agree with tax return)</i>	+	116,790		116,790	
144	Subtotal	=	301,318	0	301,318	
145	Less: Miscellaneous tax credits <i>(Must agree with tax returns)</i>	-			0	
146	<b>Total Income Tax</b>	=	301,318	0	301,318	
147						
148	<b>APPLICABLE TAX RATES FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate <i>(Must agree with tax status)</i>		22.12%		22.12%	
150	Net Ontario Income Tax Rate <i>(Must agree with tax status)</i>		14.00%		14.00%	
151	Blended Income Tax Rate		36.12%		36.12%	
152						
153	<b>Section D: Detailed calculation of Ontario Capital Tax</b>					
154						
155	<b>ONTARIO CAPITAL TAX</b>					
156	<b>(From Ontario CT23)</b>					
157	<b>PAID-UP CAPITAL</b>					
158						
159	Paid-up capital stock	+	5		5	
160	Retained earnings (if deficit, deduct)	+/-	751,328		751,328	
161	Capital and other surplus excluding	+			0	
162	appraisal surplus	+			0	
163	Loans and advances	+	20,523,894		20,523,894	
164	Bank loans	+	6,300,000		6,300,000	
165	Bankers acceptances	+			0	
166	Bonds and debentures payable	+			0	
167	Mortgages payable	+			0	
168	Lien notes payable	+			0	
169	Deferred credits	+			0	
170	Contingent, investment, inventory and similar reserves	+			0	
171	Other reserves not allowed as deductions	+	5,826,763		5,826,763	
172	Share of partnership(s), joint venture(s) paid-up capital	+			0	
173	Sub-total	=	33,401,990	0	33,401,990	
174	Subtract:					
175	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
176	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
177	<b>Total (Net) Paid-up Capital</b>	=	33,401,990	0	33,401,990	

	A	B	C	D	E	F
1	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	<b>Return</b>	
4	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2005.1</b>	
178						
179	<b><u>ELIGIBLE INVESTMENTS</u></b>					
180						
181	Bonds, lien notes, interest coupons	+			0	
182	Mortgages due from other corporations	+			0	
183	Shares in other corporations	+			0	
184	Loans and advances to unrelated corporations	+			0	
185	Eligible loans and advances to related corporations	+			0	
186	Share of partnership(s) or joint venture(s) eligible investments	+			0	
187						
188	<b>Total Eligible Investments</b>	=	0	0	0	
189						
190						
191	<b><u>TOTAL ASSETS</u></b>					
192						
193	Total assets per balance sheet	+	46,353,042		46,353,042	
194	Mortgages or other liabilities deducted from assets	+			0	
195	Share of partnership(s)/ joint venture(s) total assets	+			0	
196	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
197						
198	<b>Total assets as adjusted</b>	=	46,353,042	0	46,353,042	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and similar reserves	+			0	
202	Other reserves not allowed as deductions	+			0	
203	Subtract:				0	
204	Amounts deducted for income tax purposes in excess of amounts booked	-			0	
205	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
206	Subtract: Appraisal surplus if booked	-			0	
207	Add or subtract: Other adjustments	+/-			0	
208						
209	<b>Total Assets</b>	=	46,353,042	0	46,353,042	
210						
211						
212	<b><u>Investment Allowance</u></b>		0	0	0	
213						
214	<b><u>Taxable Capital</u></b>					
215						
216	Net paid-up capital	+	33,401,990	0	33,401,990	
217	Subtract: Investment Allowance	-	0	0	0	
218						
219	Taxable Capital	=	33,401,990	0	33,401,990	
220						
221	<b><u>Capital Tax Calculation</u></b>					
222	Deduction from taxable capital up to maximum of \$7,5000,000		6,153,682	0	6,153,682	
223	<b>(Input in tab Tax Rates)</b>					
224	Net Taxable Capital		27,248,308	0	27,248,308	
225						
226	Rate		0.3000%	0.3000%	0.3000%	
227						
228	Days in taxation year		365	365	365	
229	Divide days by 365		1.00	1.00	1.00	
230						
231	<b>Ontario Capital Tax (as calculated)</b>		81,745	0	81,745	
232						
233	<b>Ontario Capital Tax (Must agree with CT23 return)</b>		81,745	0	81,745	
234						
235	<b><u>Section E: Detailed calculation of Large Corporations Tax</u></b>					
236						
237	<b><u>LARGE CORPORATIONS TAX</u></b>					
238	<b>(From Federal Schedule 33)</b>					
239	<b><u>CAPITAL</u></b>					
240	ADD:					
241	Reserves that have not been deducted in computing income for the year under Part I	+			0	
242	Capital stock	+			0	
243	Retained earnings	+			0	
244	Contributed surplus	+			0	
245	Any other surpluses	+			0	
246	Deferred unrealized foreign exchange gains	+			0	
247	All loans and advances to the corporation	+			0	
248	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
249	Any dividends declared but not paid	+			0	
250	All other indebtedness outstanding for more than 365 days	+			0	
251						
252	Subtotal	=	0	0	0	



	A	B	C	D	E	F
1	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	<b>Return</b>	
4	<b>RRR # 2.1.8</b>		Return			
5					<b>Version 2005.1</b>	
253						
254	DEDUCT:					
255	Deferred tax debit balance	-			0	
256	Any deficit deducted in computing shareholders' equity	-			0	
	Any patronage dividends 135(1) deducted in computing income	-				
257	under Part I included in amounts above				0	
258	Deferred unrealized foreign exchange losses	-			0	
259						
260	Subtotal	=	0	0	0	
261						
262	<b>Capital for the year</b>		0	0	0	
263						
264	<b>INVESTMENT ALLOWANCE</b>					
265						
266	Shares in another corporation	+			0	
267	Loan or advance to another corporation	+			0	
268	Bond, debenture, note, mortgage, or	+			0	
269	similar obligation of another corporation	+			0	
270	Long term debt of financial institution	+			0	
271	Dividend receivable from another corporation	+			0	
	Debts of corporate partnerships that were not exempt from tax under					
272	Part I.3	+			0	
273	Interest in a partnership	+			0	
274						
275	<b>Investment Allowance</b>	=	0	0	0	
276						
277						
278	<b>TAXABLE CAPITAL</b>					
279						
280	Capital for the year	=	0	0	0	
281						
282	Deduct: Investment allowance	-	0	0	0	
283						
284	Taxable Capital for taxation year	=	0	0	0	
285						
286	Deduct: Capital Deduction - maximum of \$50,000,000	-	0	0	0	
287	(Input in tab Tax Rates)					
288	<b>Taxable Capital</b>	=	0	0	0	
289						
290	Rate 0.225% in 2002 and 2003; 0.200% in 2004; 0.175% in 2005		0.17500%	0.17500%	0.17500%	
291						
292	Days in year		365	365	365	
293	Divide days by 365		1.0000	1.0000	1.0000	
294						
295	<b>Gross Part I.3 Tax LCT (Must agree with tax return)</b>	=	0	0	0	
296						
297	Federal Surtax Rate		4.0000%	4.0000%	4.0000%	
298						
299	Less: Federal Surtax = <b>Actual Surtax from tax return</b>	-	9,343		9,343	
300						
301	<b>Net Part I.3 Tax - LCT Payable (Must agree with tax return)</b>	=	0	0	0	
302	(If surtax is greater than Gross LCT, then zero)					
303						
304	<b>Section F: Income and Capital Taxes</b>					
305						
306	<b>RECAP FROM ABOVE:</b>					
307	Total Income Taxes	+	301,318	0	301,318	
308	Ontario Capital Tax	+	81,745	0	81,745	
309	Federal Large Corporations Tax	+	0	0	0	
310						
311	<b>Total income and capital taxes</b>	=	383,063	0	383,063	
312						

	A	B	C	D	E	F
1	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax	(positive numbers)	<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>RRR # 2.1.8</b>				<b>Version 2005.1</b>	
6						
7	<b>Utility Name: Essex Powerlines Corporation</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other				0	
19	Other				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other				0	
31	Other				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other				0	
48	Other				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other				0	
60	Other				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	<b>Return</b>	
5	<b>RRR # 2.1.8</b>		Return			
6					<b>Version 2005.1</b>	
7						
8	<b>Utility Name: Essex Powerlines Corporation</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		35,903			
12						
13	<b>Section C: Reconciliation of accounting income to taxable income</b>					
14	<b>Add:</b>					
15	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
17	Income or loss for tax purposes- joint ventures or partnerships	+			0	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations	+			0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory -end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Non-deductible meals and entertainment	+			0	
31	Book loss on joint ventures or partnerships	+			0	
32	Capital items expensed	+			0	
33	Debt issue expense	+			0	
34	Deemed dividend income	+			0	
35	Dividends credited to investment account	+			0	
36	Financing fees deducted in books	+			0	
37	Gain on settlement of debt	+			0	
38	Interest paid on income debentures	+			0	
39	Recapture of SR&ED expenditures	+			0	
40	Share issue expense	+			0	
41	Write down of capital property	+			0	
42	Amounts received in respect of qualifying environment trust	+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Debt financing expenses	+			0	
45		+			0	
46		+			0	
47	S.12(1)(x)	+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+				
54	Total Additions	=	0	0	0	
55						
56	Recap of Material Additions:					
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	
82			0	0	0	

	A	B	C	D	E	F
2	<b>SIMPIL RRR FILING</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax	(positive numbers)	<b>Return</b>	
5	<b>RRR # 2.1.8</b>		Return			
6					<b>Version 2005.1</b>	
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93			0	0	0	
94						
95	Total Material additions		0	0	0	
96	Other additions less than materiality level		0	0	0	
97	Total Additions		0	0	0	
98						
99	Deduct:					
100	Gain on disposal of assets per f/s	-			0	
101	Dividends not taxable under section 83	-			0	
102	Terminal loss from Schedule 8	-			0	
103	Depreciation in inventory, end of prior year	-			0	
104	Scientific research expenses claimed in year from Form T661	-			0	
105	Bad debts	-			0	
106	Book income of joint venture or partnership	-			0	
107	Equity in income from subsidiary or affiliates	-			0	
108	Contributions to a qualifying environment trust	-			0	
109	Other income from financial statements	-			0	
110	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-				
111	Imputed interest on Reg Assets	-			0	
112	SEC 20(1) (e)	-			0	
113	Capital gains adjustment	-			0	
114	Equipment	-			0	
115		-			0	
116	s.13(7.4)	-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121	Total Deductions	=	0	0	0	
122						
123						
124	Recap of Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140			0	0	0	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145			0	0	0	
146	Total Deductions exceed materiality level		0	0	0	
147	Other deductions less than materiality level		0	0	0	
148	Total Deductions		0	0	0	
149						

	A	B	C	D	E	F	G	H	I	J
1	SIMPIL RRR FILING									
2	Corporate Tax Rates					Version 2005.1				
3	Exemptions, Deductions, or Thresholds					RRR # 2.1.8				
4	Utility Name: Essex Powerlines Corporation									
5	Reporting period: 2005									
6										
7	Table 1									
8	Rates Used in 2005 RAM PILs Applications									
9	Income Range		0		400,001					
10	RAM 2005		to		to	>1,128,000				
11		Year	400,000		1,128,000					
12	Income Tax Rate									
13	Proxy Tax Year	2005								
14	Federal (Includes surtax)		13.12%		17.75%	22.12%				
15	Ontario		5.50%		9.75%	14.00%				
16	Blended rate		18.62%	0.00%	27.50%	36.12%				
17										
18	Capital Tax Rate		0.300%	Input in C18						
19	LCT rate		0.175%	Input in C19						
20	Surtax		1.12%	Input in C20						
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	7,500,000	Input in C21						
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000	Input in C22						
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25	Table 2									
26	Expected Rates and Exemptions for 2005									
27	Income Range		0	300,001	400,001					
28	Expected Rates 2005		to	to	to	>1,128,000				
29		Year	300,000	400,000	1,128,000					
30	Income Tax Rate									
31	Current year	2005								
32	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%				
33	Ontario		5.50%	5.50%	9.75%	14.00%				
34	Blended rate		18.62%	27.62%	31.87%	36.12%				
35										
36	Capital Tax Rate		0.300%	Input in C36						
37	LCT rate		0.175%	Input in C37						
38	Surtax		1.12%	Input in C38						
39	Ontario Capital Tax Exemption ***	MAX \$7.5MM	7,500,000	Input in C39						
40	Federal Large Corporations Tax Exemption ***	MAX \$50MM	50,000,000	Input in C40						
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43	Table 3									
44	Input Information from Utility's Actual 2005 Tax Returns									
45	Income Range		0	300,001	400,001					
46			to	to	to	>1,128,000				
47		Year	300,000	400,000	1,128,000					
48	Income Tax Rate									
49	Current year	2005								
50	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%				
51	Ontario		5.50%	5.50%	9.75%	14.00%				
52	Blended rate		18.62%	27.62%	31.87%	36.12%				
53										
54	Capital Tax Rate		0.300%	Input in C54						
55	LCT rate		0.175%	Input in C55						
56	Surtax		4.00%	Input in C56						
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	6,153,682	Input in C57						
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	39,000,000	Input in C58						
59	* Include copies of the actual tax returns - Ontario CT23, federal T2. Please see the Checklist.									
60										
61										
62										
63										
64										





	A	B	C	D
1		<b>SIMPIL RRR FILING</b>		
2		Filing Requirements related to the SIMPIL model	<b>Number</b>	
3		Utility Name: Essex Powerlines Corporation	<b>of Copies</b>	
4		Reporting period: 2005		
5				
6		Name of person to contact about this SIMPIL filing: =====>	Richard Dimmel	
7		Contact Telephone Number: =====>	519-776-8900 x4	
8		Contact Email Address: =====>	<a href="mailto:rdimmel@essexp">rdimmel@essexp</a>	
9				
10		Documents to be submitted to the Board when filing the Ministry of Finance Column information:		
11		(Normally in July of the year following the reporting period)		
12				
13		Please file 2 sets of copies of the SIMPIL worksheets and 1 CD or disk		
14				
15	1)	REGINFO	2	<input type="checkbox"/>
16				
17	2)	TAXCALC	2	<input type="checkbox"/>
18				
19	3)	TAXREC	2	<input type="checkbox"/>
20				
21	4)	Tax Reserves	2	<input type="checkbox"/>
22				
23	5)	TAXREC 2	2	<input type="checkbox"/>
24				
25	6)	Tax Rates	2	<input type="checkbox"/>
26				
27	7)	PILs 1562 Calculation	2	<input type="checkbox"/>
28				
29	8)	Checklist	2	<input type="checkbox"/>
30				
31				
32	9)	Financial statements used to prepare tax returns if different from the audited financial statements submitted to the Board in April 2006 (See 12, 13)	2	<input type="checkbox"/>
33				
34	10)	Electronic Excel format of the SIMPIL worksheets on disk or CD	1	<input type="checkbox"/>
35				
36	11)	Notices of Assessments, Re-assessments, Statement of Adjustments for:		
37		2001	1	<input type="checkbox"/>
38		2002	1	<input type="checkbox"/>
39		2003	1	<input type="checkbox"/>
40		2004	1	<input type="checkbox"/>
41		2005	1	<input type="checkbox"/>
42				
43	12)	Federal T2 tax return and schedules (with dollar amounts) 2005	1	<input type="checkbox"/>
44				
45	13)	Ontario CT23 tax return and schedules 2005	1	<input type="checkbox"/>
46				
47		NOTE: These are the tax returns that were sent to the Ontario Ministry of Finance,		
48		not the NIL tax returns sent to the Canada Revenue Agency.		
49				
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## Appendix 3 of 6

### Original Board Approved RAMs

SHEET 1 - 2001 OEB Approved Rate Schedule

V2

NAME OF UTILITY	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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

RESIDENTIAL

DISTRIBUTION KWH RATE	\$0.0071
MONTHLY SERVICE CHARGE (Per Customer)	\$7.95
COST OF POWER KWH RATE	\$0.0745

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

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	\$0.0018
MONTHLY SERVICE CHARGE (Per Customer)	\$9.18
COST OF POWER KWH RATE	\$0.0733

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

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	\$1.1764
MONTHLY SERVICE CHARGE (Per Customer)	\$248.65
COST OF POWER KW RATE	\$3.5788
COST OF POWER KWH RATE	\$0.0591

**GENERAL SERVICE > 50 KW (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.0000					
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00					
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	\$2.4426					
MONTHLY SERVICE CHARGE (Per Customer)	\$2,867.82					
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
	\$11.93	\$5.55	\$0.0707	\$0.0422	\$0.0649	\$0.0329

**LARGE USE**

DISTRIBUTION KW RATE	\$0.0000					
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00					
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

**SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$2.2030
MONTHLY SERVICE CHARGE (Per Connection)	\$0.52
COST OF POWER KW RATE	\$22.9507

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE		
MONTHLY SERVICE CHARGE (Per Connection)		
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	\$1.6130
MONTHLY SERVICE CHARGE (Per Connection)	\$0.27
COST OF POWER KW RATE	\$22.8718

OR

STREET LIGHTING (TIME OF USE)

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

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	\$	10.00
Change of Occupancy	\$	10.00
Account History		
Administration Fee		
Current Year Data		
Each Additional Year Data		
Arrear's Certificate		\$12.00
Late Payment (annual 19.56%)		1.50%
Dispute Involvement Charge		\$10.00
Returned Cheque (plus actual Bank Charges)		\$21.00
Collection of Account Charge		\$9.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours		\$25.00
At Meter - After Hours		\$110.00
Temporary Pole Service	\$	125.00
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	
Sevice Charge on Customer owned Equipment	\$	30.00
Transformer Ownership Credit - per kw of billing demand for transformation that meets utility transformer loss specifications		\$ .60 per kw

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

NAME OF UTILITY  
NAME OF CONTACT  
E- Mail Address  
VERSION NUMBER

LICENCE NUMBER  
PHONE NUMBER

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

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

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

or 98.90%
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of current rates.

RESIDENTIAL

DISTRIBUTION KWH RATE	\$0.007022
MONTHLY SERVICE CHARGE (Per Customer)	\$7.8626
COST OF POWER KWH RATE	\$0.0745

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	\$0.001780
MONTHLY SERVICE CHARGE (Per Customer)	\$9.0790
COST OF POWER KWH RATE	\$0.07330

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	\$1.163460
MONTHLY SERVICE CHARGE (Per Customer)	\$245.9149
COST OF POWER KW RATE	\$3.5788
COST OF POWER KWH RATE	\$0.0591

**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
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH
	\$0.00	\$0.00	\$0.0000	\$0.0000	\$0.0000

**GENERAL SERVICE INTERMEDIATE USE**

DISTRIBUTION KW RATE	\$2.415731				
MONTHLY SERVICE CHARGE (Per Customer)	\$2,836.2740				
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH
	\$11.93	\$5.55	\$0.0707	\$0.0422	\$0.0649

**LARGE USE**

DISTRIBUTION KW RATE	\$0.000000				
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00				
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH
	\$0.00	\$0.00	\$0.0000	\$0.0000	\$0.0000

**SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$2.178767
MONTHLY SERVICE CHARGE (Per Connection)	\$0.5137
COST OF POWER KW RATE	\$22.9507

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	\$1.5953
MONTHLY SERVICE CHARGE (Per Connection)	\$0.2717
COST OF POWER KW RATE	\$22.8718

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





SUMMER OFF-  
PEAK  
\$/KWH  
\$0.0000

SUMMER OFF-  
PEAK  
\$/KWH  
\$0.0329

SUMMER OFF-  
PEAK  
\$/KWH  
\$0.0000

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

NAME OF UTILITY	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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: \$ 188,655.55 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. \$696,081.13

Enter the 1/3 of incremental MARR you seek to recover in 2002 (should be same as previous entry) \$696,081.13

Enter the 1/3 of incremental MARR you will seek to recover in 2003 (should be same as first 1/3 increment) \$696,081.13

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	-	237,454,941	22,701	\$3,366,552.00	69.22%	\$ 612,426.05
GENERAL SERVICE <50 KW CLASS	-	86,664,385	1,833	\$313,817.00	6.45%	\$ 57,088.00
GENERAL SERVICE >50 KW NON TIME OF USE	458,711		233	\$1,080,254.00	22.21%	\$ 196,514.32
GENERAL SERVICE >50 KW TIME OF USE					0.00%	\$ -
INTERMEDIATE USE	10,936		1	\$53,473.00	1.10%	\$ 9,727.54
LARGE USER CLASS					0.00%	\$ -
SENTINEL LIGHTS	705		321	\$3,109.00	0.06%	\$ 565.57
STREET LIGHTING CLASS	14,326		9,033	\$46,259.00	0.95%	\$ 8,415.20
TOTALS				\$4,863,464.00	1.00	\$ 884,736.68
				Allocated Total for 2002 including adjustments at Cell B13 ==>		\$ 884,736.68

Residential Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	0.437	0.563	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G26 above)	\$ 267,630.18	\$ 344,795.87	\$ 612,426.05
(B) RETAIL KWH	237,454,941		
(C) NUMBER OF CUSTOMERS		22,701	
(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)	\$0.001127		
(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)		\$1.2657	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	0.437	0.563	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G27 above)	\$ 24,947.45	\$ 32,140.54	\$ 57,088.00
(B) RETAIL KWH	86,664,385		
(C) NUMBER OF CUSTOMERS		1,833	
(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)	\$0.000288		
(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)		\$1.4612	

**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 Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	0.437	0.563	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G28 above)	\$ 85,876.76	\$ 110,637.56	\$ 196,514.32
(B) RETAIL KW	458,711		
(C) NUMBER OF CUSTOMERS		233	
(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)	\$0.187213		
(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)		\$39.5699	

**General Service >50kW ClassTOU**

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
			0%
(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 Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	0.437	0.563	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G30 above)	\$ 4,250.93	\$ 5,476.60	\$ 9,727.54
(B) RETAIL KW	10,936		
(C) NUMBER OF CUSTOMERS		1	
(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)	\$0.388710		
(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)		\$456.3836	

Large User Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
			0%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G31 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!	

Sentinel Lighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	0.437	0.563	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G32 above)	\$ 247.16	\$ 318.42	\$ 565.57
(B) RETAIL KW	705		
(C) NUMBER OF CUSTOMERS (Connections)		321	

(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) \$0.350379  
(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)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 \$0.0827  
(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		
	0.437		0.563		100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G33 above)	\$	3,677.44	\$	4,737.76	\$ 8,415.20
(B) RETAIL KW		14,326			
(C) NUMBER OF CUSTOMERS				9,033	
(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)		\$0.256697			
(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)				\$0.0437	



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

NAME OF UTILITY	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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	\$0.0081
MONTHLY SERVICE CHARGE (Per Customer)	\$9.13
COST OF POWER KWH RATE	\$0.0745

**RESIDENTIAL (TIME OF USE)**

DISTRIBUTION KWH RATE	\$0.0011				
MONTHLY SERVICE CHARGE (Per Customer)	\$1.27				
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	\$0.0021
MONTHLY SERVICE CHARGE (Per Customer)	\$10.54
COST OF POWER KWH RATE	\$0.0733

**GENERAL SERVICE < 50 KW (TIME OF USE)**

DISTRIBUTION KWH RATE	\$0.0003				
MONTHLY SERVICE CHARGE (Per Customer)	\$1.46				
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	\$1.3507
MONTHLY SERVICE CHARGE (Per Customer)	\$285.48
COST OF POWER KW RATE	\$3.5788
COST OF POWER KWH RATE	\$0.0591

**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	\$2.804441					
MONTHLY SERVICE CHARGE (Per Customer)	\$3,292.6576					
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
	\$11.9300	\$5.5500	\$0.0707	\$0.0422	\$0.0649	\$0.0329

**LARGE 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

**SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$2.5291
MONTHLY SERVICE CHARGE (Per Connection)	\$0.60
COST OF POWER KW RATE	\$22.9507

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.3504	
MONTHLY SERVICE CHARGE (Per Connection)	\$0.08	
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	\$1.8520
MONTHLY SERVICE CHARGE (Per Connection)	\$0.32
COST OF POWER KW RATE	\$22.8718

OR



**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.2567	
MONTHLY SERVICE CHARGE (Per Connection)	\$0.04	
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	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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		CURRENT 2001 BILL				2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)				
ENTER DESIRED CONSUMPTION LEVEL		KWH (enter)	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %
100 kWh	MONTHLY SERVICE CHARGE DISTRIBUTION KWH	n/a	n/a	\$ 7.95		n/a	n/a	\$ 9.13		
		100	0.0071	\$ 0.71		100	0.00815	\$ 0.81		
	COST OF POWER KWH	100	0.0745	\$ 7.45		100	0.0745	\$ 7.45		
	CURRENT 2001 BILL			\$ 16.11	Adjusted 2002 BILL			\$ 17.39	\$ 1.28	8.0%
MONTHLY CONSUMPTION OF 250 kWh	MONTHLY SERVICE CHARGE DISTRIBUTION KWH	n/a	n/a	\$ 7.95		n/a	n/a	\$ 9.13		
		250	0.0071	\$ 1.78		250	0.00815	\$ 2.04		
	COST OF POWER KWH	250	0.0745	\$ 18.63		250	0.0745	\$ 18.63		
	CURRENT 2001 BILL			\$ 28.35	Adjusted 2002 BILL			\$ 29.79	\$ 1.44	5.1%
MONTHLY CONSUMPTION OF 500 kWh	MONTHLY SERVICE CHARGE DISTRIBUTION KWH	n/a	n/a	\$ 7.95		n/a	n/a	\$ 9.13		
		500	0.0071	\$ 3.55		500	0.00815	\$ 4.07		
	COST OF POWER KWH	500	0.0745	\$ 37.25		500	0.0745	\$ 37.25		
	CURRENT 2001 BILL			\$ 48.75	Adjusted 2002 BILL			\$ 50.45	\$ 1.70	3.5%
MONTHLY CONSUMPTION OF 750 kWh	MONTHLY SERVICE CHARGE DISTRIBUTION KWH	n/a	n/a	\$ 7.95		n/a	n/a	\$ 9.13		
		750	0.0071	\$ 5.33		750	0.00815	\$ 6.11		
	COST OF POWER KWH	750	0.0745	\$ 55.88		750	0.0745	\$ 55.88		
	CURRENT 2001 BILL			\$ 69.15	Adjusted 2002 BILL			\$ 71.11	\$ 1.96	2.8%
MONTHLY CONSUMPTION OF 1000 kWh	MONTHLY SERVICE CHARGE DISTRIBUTION KWH	n/a	n/a	\$ 7.95		n/a	n/a	\$ 9.13		
		1000	0.0071	\$ 7.10		1000	0.00815	\$ 8.15		
	COST OF POWER KWH	1000	0.0745	\$ 74.50		1000	0.0745	\$ 74.50		
	CURRENT 2001 BILL			\$ 89.55	Adjusted 2002 BILL			\$ 91.78	\$ 2.23	2.5%

MONTHLY CONSUMPTION OF 1500 kWh											
	KWH (enter)	RATE \$/KWH	CHARGE \$			KWH	RATE \$/KWH	CHARGE \$		IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 9.13			
DISTRIBUTION KWH	1500	0.0071	\$ 10.65		DISTRIBUTION KWH	1500	0.00815	\$ 12.22			
COST OF POWER KWH	1500	0.0745	\$ 111.75		COST OF POWER KWH	1500	0.0745	\$ 111.75			
CURRENT 2001 BILL			\$ 130.35		Adjusted 2002 BILL			\$ 133.10		\$ 2.75	2.1%

MONTHLY CONSUMPTION OF 2000 kWh					KWH (enter)	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE DISTRIBUTION KWH					n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE DISTRIBUTION KWH	n/a	n/a	\$ 9.13		
					2000	0.0071	\$ 14.20			2000	0.00815	\$ 16.30		
COST OF POWER KWH					2000	0.0745	\$ 149.00		COST OF POWER KWH	2000	0.0745	\$ 149.00		
CURRENT 2001 BILL							\$ 171.15		Adjusted 2002 BILL			\$ 174.43	\$ 3.28	1.9%

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	\$ 9.18	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 10.54			
DISTRIBUTION KWH		1000	0.0018	\$ 1.80	DISTRIBUTION KWH	1000	0.00207	\$ 2.07			
COST OF POWER	KWH	1000	0.0733	\$ 73.30	COST OF POWER KWH	1000	0.0733	\$ 73.30			
CURRENT 2001 BILL				\$ 84.28	Adjusted 2002 BILL				\$ 85.91	\$ 1.63	1.9%

MONTHLY CONSUMPTION		KWH	RATE	CHARGE		KWH	RATE	CHARGE	IMPACT	IMPACT				
2000 kWh		(enter)	\$/KWH	\$			\$/KWH	\$	DOLLARS	%				
MONTHLY SERVICE CHARGE		n/a	n/a	\$	9.18	MONTHLY SERVICE CHARGE	n/a	n/a	\$	10.54				
DISTRIBUTION KWH		2000	0.0018	\$	3.60	DISTRIBUTION KWH	2000	0.00207	\$	4.14				
COST OF POWER KWH		2000	0.0733	\$	146.60	COST OF POWER KWH	2000	0.0733	\$	146.60				
CURRENT 2001 BILL				\$	159.38	Adjusted 2002 BILL				\$	161.28	\$	1.90	1.2%

MONTHLY CONSUMPTION 5000 kWh											
	KWH (enter)	RATE \$/KWH	CHARGE \$			KWH	RATE \$/KWH	CHARGE \$		IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 9.18		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 10.54			
DISTRIBUTION KWH	5000	0.0018	\$ 9.00		DISTRIBUTION KWH	5000	0.00207	\$ 10.34			
COST OF POWER KWH	5000	0.0733	\$ 366.50		COST OF POWER KWH	5000	0.0733	\$ 366.50			
CURRENT 2001 BILL			\$ 384.68		Adjusted 2002 BILL			\$ 387.38		\$ 2.70	0.7%

MONTHLY CONSUMPTION 10,000 kWh											
	KWH (enter)	RATE \$/KWH	CHARGE \$			KWH	RATE \$/KWH	CHARGE \$		IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 9.18		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 10.54			
DISTRIBUTION KWH	10000	0.0018	\$ 18.00		DISTRIBUTION KWH	10000	0.00207	\$ 20.68			
COST OF POWER KWH	10000	0.0733	\$ 733.00		COST OF POWER KWH	10000	0.0733	\$ 733.00			
CURRENT 2001 BILL			\$ 760.18		Adjusted 2002 BILL			\$ 764.22		\$ 4.04	0.5%

MONTHLY CONSUMPTION		KWH	RATE	CHARGE			KWH	RATE	CHARGE	IMPACT	IMPACT
20,000 KWh		(enter)	\$/KWH	\$				\$/KWH	\$	DOLLARS	%

### GENERAL SERVICE > 50 KW NON TIME OF USE

**MONTHLY CONSUMPTION**  
500kW, 250,000kWh

MONTHLY CONSUMPTION 1000kW, 400,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 285.48	
KW	1000	1.1764	\$ 1,176.40		KW	1000	1.35067	\$ 1,350.67	
COST OF POWER KW	1000	3.5788	\$ 3,578.80		COST OF POWER KW	1000	3.5788	\$ 3,578.80	
COST OF POWER KWH	#####	0.0591	\$ 23,640.00		COST OF POWER KWH	400,000	0.0591	\$ 23,640.00	
CURRENT 2001 BILL			\$ 28,643.85	Adjusted 2002 BILL			\$ 28,854.96	\$ 211.11	0.7%

MONTHLY CONSUMPTION 1000kW, 500,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 285.48	
KW	1000	1.1764	\$ 1,176.40		KW	1000	1.35067	\$ 1,350.67	
COST OF POWER KW	1000	3.5788	\$ 3,578.80		COST OF POWER KW	1000	3.5788	\$ 3,578.80	
COST OF POWER KWH	#####	0.0591	\$ 29,550.00		COST OF POWER KWH	500,000	0.0591	\$ 29,550.00	
CURRENT 2001 BILL			\$ 34,553.85	Adjusted 2002 BILL			\$ 34,764.96	\$ 211.11	0.6%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 285.48	
KW	3000	1.1764	\$ 3,529.20		KW	3000	1.35067	\$ 4,052.02	
COST OF POWER KW	3000	3.5788	\$ 10,736.40		COST OF POWER KW	3000	3.5788	\$ 10,736.40	
COST OF POWER KWH	#####	0.0591	\$ 59,100.00		COST OF POWER KWH	#####	0.0591	\$ 59,100.00	
CURRENT 2001 BILL			\$ 73,614.25	Adjusted 2002 BILL			\$ 74,173.90	\$ 559.65	0.8%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 285.48	
KW	3000	1.1764	\$ 3,529.20		KW	3000	1.35067	\$ 4,052.02	
COST OF POWER KW	3000	3.5788	\$ 10,736.40		COST OF POWER KW	3000	3.5788	\$ 10,736.40	
COST OF POWER KWH	#####	0.0591	\$ 88,650.00		COST OF POWER KWH	#####	0.0591	\$ 88,650.00	
CURRENT 2001 BILL			\$ 103,164.25	Adjusted 2002 BILL			\$ 103,723.90	\$ 559.65	0.5%

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 285.48	
KW	4000	1.1764	\$ 4,705.60		KW	4000	1.35067	\$ 5,402.69	
COST OF POWER KW	4000	3.5788	\$ 14,315.20		COST OF POWER KW	4000	3.5788	\$ 14,315.20	
COST OF POWER KWH	#####	0.0591	\$ 70,920.00		COST OF POWER KWH	#####	0.0591	\$ 70,920.00	
CURRENT 2001 BILL			\$ 90,189.45	Adjusted 2002 BILL			\$ 90,923.38	\$ 733.93	0.8%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 285.48	
KW	4000	1.1764	\$ 4,705.60		KW	4000	1.35067	\$ 5,402.69	
COST OF POWER KW	4000	3.5788	\$ 14,315.20		COST OF POWER KW	4000	3.5788	\$ 14,315.20	
COST OF POWER KWH	#####	0.0591	\$ 106,380.00		COST OF POWER KWH	#####	0.0591	\$ 106,380.00	
CURRENT 2001 BILL			\$ 125,649.45	Adjusted 2002 BILL			\$ 126,383.38	\$ 733.93	0.6%

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					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					kW COST OF POWER					
Demand Charge	100	0.0000	\$ -		Demand Charge	100	0.0000	\$ -		
		RATE \$/kWh					RATE \$/kWh			
COST OF POWER	kWh				COST OF POWER	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					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					kW COST OF POWER					
Demand Charge	100	0.0000	\$ -		Demand Charge	100	0.0000	\$ -		
		RATE \$/kWh					RATE \$/kWh			
COST OF POWER	kWh				COST OF POWER	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 & 2nd Installment 1/3 Incremental MARR)					
ENTER DESIRED CONSUMPTION LEVELS										
4000kW, 1,200,000kWh										
WINTER					WINTER					
	KW	RATE \$/kW	CHARGE \$			KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	4000	2.4426	\$	9,770.40	DISTRIBUTION kW	4000	2.8044	\$ 11,217.77		
kW COST OF POWER					kW COST OF POWER					
Demand Charge	4000	11.9300	\$	47,720.00	Demand Charge	4000	11.9300	\$ 47,720.00		
		RATE \$/kWh					RATE \$/kWh			
COST OF POWER	kWh				COST OF POWER	kWh				
WINTER PEAK	600,000	0.0707	\$	42,420.00	WINTER PEAK	600,000	0.0707	\$ 42,420.00		
WINTER OFF					WINTER OFF					
PEAK	600,000	0.0422	\$	25,320.00	PEAK	600,000	0.0422	\$ 25,320.00		
MONTHLY SERVICE CHARGE			\$	2,867.82	MONTHLY SERVICE CHARGE			\$ 3,292.66		
TOTAL			\$	128,098.22	TOTAL			\$ 129,970.42	\$ 1,872.20	1.5%
SUMMER					SUMMER					
	KW	RATE \$/kW	CHARGE \$			KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	4000	2.4426	\$	9,770.40	DISTRIBUTION kW	4000	2.8044	\$ 11,217.77		
kW COST OF POWER					kW COST OF POWER					
Demand Charge	4000	5.5500	\$	22,200.00	Demand Charge	4000	5.5500	\$ 22,200.00		
		RATE \$/kWh					RATE \$/kWh			
COST OF POWER	kWh				COST OF POWER	kWh				
SUMMER PEAK	600,000	0.0649	\$	38,940.00	SUMMER PEAK	600,000	0.0649	\$ 38,940.00		
SUMMER OFF					SUMMER OFF					
PEAK	600,000	0.0329	\$	19,740.00	PEAK	600,000	0.0329	\$ 19,740.00		
MONTHLY SERVICE CHARGE			\$	2,867.82	MONTHLY SERVICE CHARGE			\$ 3,292.66		
TOTAL			\$	93,518.22	TOTAL			\$ 95,390.42	\$ 1,872.20	2.0%

LARGE USE

CURRENT 2001 BILL					2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)				
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ENTER DESIRED CONSUMPTION LEVELS  
6000kW, 3,000,000kWh

WINTER

	KW	RATE \$/kW	CHARGE \$	
DISTRIBUTION kW	6000	0.0000	\$ -	
kW COST OF POWER				
Demand Charge	6000	0.0000	\$ -	
		RATE		
COST OF POWER kWh		\$/kWh		
WINTER PEAK	#####	0.0000	\$ -	
WINTER OFF PEAK	#####	0.0000	\$ -	
MONTHLY SERVICE CHARGE			\$ -	
TOTAL			\$ -	

WINTER

	KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	\$ -		
		RATE			
COST OF POWER kWh		\$/kWh			
WINTER PEAK	#####	0.0000	\$ -		
WINTER OFF PEAK	1,500,000	0.0000	\$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE \$/kW	CHARGE \$	
DISTRIBUTION kW	6000	0.0000	\$ -	
kW COST OF POWER				
Demand Charge	6000	0.0000	\$ -	
		RATE		
COST OF POWER kWh		\$/kWh		
SUMMER PEAK	#####	0.0000	\$ -	
SUMMER OFF PEAK	#####	0.0000	\$ -	
MONTHLY SERVICE CHARGE			\$ -	
TOTAL			\$ -	

SUMMER

	KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	\$ -		
		RATE			
COST OF POWER kWh		\$/kWh			
SUMMER PEAK	#####	0.0000	\$ -		
SUMMER OFF PEAK	1,500,000	0.0000	\$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SHEET 6 - 2001 PILs Deferral Account Estimate Adder Calculation

NAME OF UTILITY	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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. \$ 310,938.00

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.

1999 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2001 PILs Deferral Allocations
RESIDENTIAL CLASS	-	237,454,941	22,701	3,366,552	69.22%	\$ 215,235.26
GENERAL SERVICE <50 KW CLASS	-	86,664,385	1,833	313,817	6.45%	\$ 20,063.40
GENERAL SERVICE >50 KW NON TIME OF USE	458,711	-	233	1,080,254	22.21%	\$ 69,064.36
GENERAL SERVICE >50 KW TIME OF USE	0	-	0	0	0.00%	\$ -
INTERMEDIATE USE	10,936	-	1	53,473	1.10%	\$ 3,418.71
LARGE USER CLASS	0	-	0	0	0.00%	\$ -
SENTINEL LIGHTS	705	-	321	3,109	0.06%	\$ 198.77
STREET LIGHTING CLASS	14,326	-	9,033	46,259	0.95%	\$ 2,957.50
TOTALS				\$4,863,464.00	1.00	310,938.00
						\$ 310,938.00

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
	0.437	0.563	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G26 above)	\$ 94,057.81	\$ 121,177.45	\$ 215,235.26
(B) RETAIL KWH	237,454,941		
(C) NUMBER OF CUSTOMERS		22,701	
(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)	\$0.000396		
(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)		\$0.4448	

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
	0.437	0.563	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G27 above)	\$ 8,767.71	\$ 11,295.69	\$ 20,063.40
(B) RETAIL KWH	86,664,385		
(C) NUMBER OF CUSTOMERS		1,833	
(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)	\$0.000101		
(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)		\$0.5135	

**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
	0.437	0.563	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G28 above)	\$ 30,181.12	\$ 38,883.23	\$ 69,064.36
(B) RETAIL KW	458,711		
(C) NUMBER OF CUSTOMERS		233	
(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)	\$0.065796		
(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)		\$13.9067	

**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
	0.437	0.563	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G30 above)	\$ 1,493.98	\$ 1,924.74	\$ 3,418.71
(B) RETAIL KW	10,936		
(C) NUMBER OF CUSTOMERS		1	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	\$0.136611		
(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)		\$160.3946	

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
	0.000	1.000	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G31 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!	

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
	0.437	0.563	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G32 above)	\$ 86.86	\$ 111.91	\$ 198.77
(B) RETAIL KW	705		
(C) NUMBER OF CUSTOMERS		321	

(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)

\$0.123139

(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)

\$0.0291

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
	0.437		0.563		100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G33 above)	\$	1,292.43	\$	1,665.07	\$ 2,957.50
(B) RETAIL KW		14,326			
(C) NUMBER OF CUSTOMERS (Connections)				9,033	
(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)		\$0.090215			
(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)				\$0.0154	

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

NAME OF UTILITY	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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	\$0.00855
MONTHLY SERVICE CHARGE (Per Customer)	\$9.57310
COST OF POWER KWH RATE	\$0.07450

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.00152			
MONTHLY SERVICE CHARGE (Per Customer)	\$1.71055			
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	\$0.00217
MONTHLY SERVICE CHARGE (Per Customer)	\$11.05375
COST OF POWER KWH RATE	\$0.073300

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.00039			
MONTHLY SERVICE CHARGE (Per Customer)	\$1.97473			
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	\$1.41647
MONTHLY SERVICE CHARGE (Per Customer)	\$299.39153
COST OF POWER KW RATE	\$3.578800
COST OF POWER KWH RATE	\$0.059100

**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	\$2.94105					
MONTHLY SERVICE CHARGE (Per Customer)	\$3,453.05220					
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
	\$11.9300	\$5.5500	\$0.0707	\$0.0422	\$0.0649	\$0.0329

**LARGE 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

**SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$2.65229
MONTHLY SERVICE CHARGE (Per Connection)	\$0.62540
COST OF POWER KW RATE	\$22.9507

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.47352	
MONTHLY SERVICE CHARGE (Per Connection)	\$0.11171	
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	\$1.94217
MONTHLY SERVICE CHARGE (Per Connection)	\$0.33075
COST OF POWER KW RATE	\$22.8718

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.34691	
MONTHLY SERVICE CHARGE (Per Connection)	\$0.05907	
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	Essex Powerlines Corp.	LICENCE NUMBER
NAME OF CONTACT	Ray Tracey	PHONE NUMBER
E- Mail Address	rtracey@essex-power.com	
VERSION NUMBER	1	
Date	Jan. 9 / 2002	

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,

Enter the Estimated Value for the 2002 PILs Proxy\$1,108,973.00

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 ir 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.

1999 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares
RESIDENTIAL CLASS	-	237,454,941	22,701	\$3,366,552.00	69.22%
GENERAL SERVICE <50 KW CLASS	-	86,664,385	1,833	\$313,817.00	6.45%
GENERAL SERVICE >50 KW NON TIME OF USE	458,711	-	233	\$1,080,254.00	22.21%
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	\$0.00	0.00%
INTERMEDIATE USE	10,936	-	1	\$53,473.00	1.10%
LARGE USER CLASS	0	-	-	\$0.00	0.00%
SENTINEL LIGHTS	705	-	321	\$3,109.00	0.06%
STREET LIGHTING CLASS	14,326	-	9,033	\$46,259.00	0.95%
TOTALS				\$4,863,464.00	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	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.437	0.563	100%
(A) ALLOCATED 2002 PILs (Total in Cell G26 above)	\$335,461.00	\$432,184.30	\$767,645.30
(B) RETAIL KWH	237,454,941		
(C) NUMBER OF CUSTOMERS		22,701	
(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)	\$0.001413		
(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)		\$1.5865	

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
	0.437	0.563	100%
(A) ALLOCATED 2002 PILs (Total in Cell G27 above)	\$ 31,270.38	\$ 40,286.55	\$ 71,556.94
(B) RETAIL KWH	86,664,385		
(C) NUMBER OF CUSTOMERS		1,833	
(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)	\$0.000361		
(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)		\$1.8315	

**General Service >50kW Class Non TOU**

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.437	0.563	100%
(A) ALLOCATED 2002 PILs (Total in Cell G28 above)	\$ 107,642.21	\$ 138,678.63	\$ 246,320.84
(B) RETAIL KW	458,711		
(C) NUMBER OF CUSTOMERS		233	
(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)	\$0.234662		
(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)		\$49.5989	

**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 2002 PILs Estimate REVENUE
	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 Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.437	0.563	100%
(A) ALLOCATED 2002 PILs (Total in Cell G30 above)	\$ 5,328.33	\$ 6,864.65	\$ 12,192.98
(B) RETAIL KW	10,936		
(C) NUMBER OF CUSTOMERS		1	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	\$0.487229		
(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)		\$572.0539	

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
	0.000	1.000	100%
(A) ALLOCATED 2002 PILs (Total in Cell G31 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!	

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
	0.437	0.563	100%
(A) ALLOCATED 2002 PILs (Total in Cell G32 above)	\$ 309.80	\$ 399.12	\$ 708.92
(B) RETAIL KW	705		
(C) NUMBER OF CUSTOMERS		321	

(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)

(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)

\$0.439182

\$0.1036

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
	0.437	0.563	100%
(A) ALLOCATED 2002 PILs (Total in Cell G33 above)	\$ 4,609.49	\$ 5,938.54	\$ 10,548.03
(B) RETAIL KW	14,326		
(C) NUMBER OF CUSTOMERS (Connections)		9,033	
(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)	\$0.321757		
(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)		\$0.0548	

0

519-776-8900

2001.

1 each class.

2002 PILs Estimate Allocations	
\$	767,645.30
\$	71,556.94
\$	246,320.84
\$	-
\$	12,192.98
\$	-
\$	708.92
\$	10,548.03
	1,108,973.00
\$	1,108,973.00

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

NAME OF UTILITY	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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 transision costs for March 1, 2002, this becomes your final 2002 Rate Schedule and will appear at Sheet 16.

RESIDENTIAL

DISTRIBUTION KWH RATE	\$0.00996
MONTHLY SERVICE CHARGE (Per Customer)	\$11.15961
COST OF POWER KWH RATE	\$0.07450

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.00294			
MONTHLY SERVICE CHARGE (Per Customer)	\$3.29706			
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	\$0.00253
MONTHLY SERVICE CHARGE (Per Customer)	\$12.88529
COST OF POWER KWH RATE	\$0.073300

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.00075			
MONTHLY SERVICE CHARGE (Per Customer)	\$3.80627			
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	\$1.65113
MONTHLY SERVICE CHARGE (Per Customer)	\$348.99047
COST OF POWER KW RATE	\$3.578800
COST OF POWER KWH RATE	\$0.059100

**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	\$3.42828					
MONTHLY SERVICE CHARGE (Per Customer)	\$4,025.10612					
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
	\$11.9300	\$5.5500	\$0.0707	\$0.0422	\$0.0649	\$0.0329

**LARGE 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

**SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$3.09147
MONTHLY SERVICE CHARGE (Per Connection)	\$0.72902
COST OF POWER KW RATE	\$22.9507

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.91270	
MONTHLY SERVICE CHARGE (Per Connection)	\$0.21533	
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	\$2.26393
MONTHLY SERVICE CHARGE (Per Connection)	\$0.38553
COST OF POWER KW RATE	\$22.8718

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.66867	
MONTHLY SERVICE CHARGE (Per Connection)	\$0.11385	
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	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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		CURRENT 2001 BILL				2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)				
ENTER DESIRED CONSUMPTION LEVEL		KWH (enter)	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %
100 kWh										
	MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a \$ 11.16		
	KWH	100	0.0071	\$ 0.71		KWH	100 0.00996	\$ 1.00		
	COST OF POWER KWH	100	0.0745	\$ 7.45		COST OF POWER KWH	100 0.0745	\$ 7.45		
	CURRENT 2001 BILL			\$ 16.11	Adjusted 2002 BILL			\$ 19.61	\$ 3.50	21.7%
MONTHLY CONSUMPTION OF 250 kWh										
	MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a \$ 11.16		
	KWH	250	0.0071	\$ 1.78		KWH	250 0.00996	\$ 2.49		
	COST OF POWER KWH	250	0.0745	\$ 18.63		COST OF POWER KWH	250 0.0745	\$ 18.63		
	CURRENT 2001 BILL			\$ 28.35	Adjusted 2002 BILL			\$ 32.27	\$ 3.92	13.8%
MONTHLY CONSUMPTION OF 500 kWh										
	MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a \$ 11.16		
	KWH	500	0.0071	\$ 3.55		KWH	500 0.00996	\$ 4.98		
	COST OF POWER KWH	500	0.0745	\$ 37.25		COST OF POWER KWH	500 0.0745	\$ 37.25		
	CURRENT 2001 BILL			\$ 48.75	Adjusted 2002 BILL			\$ 53.39	\$ 4.64	9.5%
MONTHLY CONSUMPTION OF 750 kWh										
	MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a \$ 11.16		
	KWH	750	0.0071	\$ 5.33		KWH	750 0.00996	\$ 7.47		
	COST OF POWER KWH	750	0.0745	\$ 55.88		COST OF POWER KWH	750 0.0745	\$ 55.88		
	CURRENT 2001 BILL			\$ 69.15	Adjusted 2002 BILL			\$ 74.50	\$ 5.35	7.7%
MONTHLY CONSUMPTION OF 1000 kWh										
	MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a \$ 11.16		
	KWH	1000	0.0071	\$ 7.10		KWH	1000 0.00996	\$ 9.96		
	COST OF POWER KWH	1000	0.0745	\$ 74.50		COST OF POWER KWH	1000 0.0745	\$ 74.50		
	CURRENT 2001 BILL			\$ 89.55	Adjusted 2002 BILL			\$ 95.62	\$ 6.07	6.8%

MONTHLY CONSUMPTION OF 1500 kWh										
	KWH (enter)	RATE \$/KWH	CHARGE \$			KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$	7.95	MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.16	
DISTRIBUTION KWH	1500	0.0071	\$	10.65	DISTRIBUTION KWH	1500	0.00996	\$	14.94	
COST OF POWER KWH	1500	0.0745	\$	111.75	COST OF POWER KWH	1500	0.0745	\$	111.75	
CURRENT 2001 BILL			\$	130.35	Adjusted 2002 BILL			\$	137.85	\$ 7.50 5.8%

MONTHLY CONSUMPTION OF 2000 kWh										
	KWH (enter)	RATE \$/KWH	CHARGE \$			KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$	7.95	MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.16	
DISTRIBUTION KWH	2000	0.0071	\$	14.20	DISTRIBUTION KWH	2000	0.00996	\$	19.92	
COST OF POWER KWH	2000	0.0745	\$	149.00	COST OF POWER KWH	2000	0.0745	\$	149.00	
CURRENT 2001 BILL			\$	171.15	Adjusted 2002 BILL			\$	180.08	\$ 8.93 5.2%

GENERAL SERVICE < 50 KW

CURRENT 2001 BILL					2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)					
ENTER DESIRED CONSUMPTION LEVEL										
1000 kWh		KWH (enter)	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION KWH		n/a	n/a	\$ 9.18		MONTHLY SERVICE CHARGE DISTRIBUTION KWH	n/a	n/a	\$ 12.89	
		1000	0.0018	\$ 1.80			1000	0.00253	\$ 2.53	
COST OF POWER KWH		1000	0.0733	\$ 73.30		COST OF POWER KWH	1000	0.0733	\$ 73.30	
CURRENT 2001 BILL				\$ 84.28	Adjusted 2002 BILL		\$ 88.72	\$ 4.44	5.3%	
MONTHLY CONSUMPTION 2000 kWh		KWH (enter)	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION KWH		n/a	n/a	\$ 9.18		MONTHLY SERVICE CHARGE DISTRIBUTION KWH	n/a	n/a	\$ 12.89	
		2000	0.0018	\$ 3.60			2000	0.00253	\$ 5.06	
COST OF POWER KWH		2000	0.0733	\$ 146.60		COST OF POWER KWH	2000	0.0733	\$ 146.60	
CURRENT 2001 BILL				\$ 159.38	Adjusted 2002 BILL		\$ 164.55	\$ 5.17	3.2%	
MONTHLY CONSUMPTION 5000 kWh		KWH (enter)	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION KWH		n/a	n/a	\$ 9.18		MONTHLY SERVICE CHARGE DISTRIBUTION KWH	n/a	n/a	\$ 12.89	
		5000	0.0018	\$ 9.00			5000	0.00253	\$ 12.65	
COST OF POWER KWH		5000	0.0733	\$ 366.50		COST OF POWER KWH	5000	0.0733	\$ 366.50	
CURRENT 2001 BILL				\$ 384.68	Adjusted 2002 BILL		\$ 392.04	\$ 7.36	1.9%	
MONTHLY CONSUMPTION 10,000 kWh		KWH (enter)	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION KWH		n/a	n/a	\$ 9.18		MONTHLY SERVICE CHARGE DISTRIBUTION KWH	n/a	n/a	\$ 12.89	
		10000	0.0018	\$ 18.00			10000	0.00253	\$ 25.30	
COST OF POWER KWH		10000	0.0733	\$ 733.00		COST OF POWER KWH	10000	0.0733	\$ 733.00	
CURRENT 2001 BILL				\$ 760.18	Adjusted 2002 BILL		\$ 771.19	\$ 11.01	1.4%	
MONTHLY CONSUMPTION 20,000 kWh		KWH (enter)	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %



## GENERAL SERVICE > 50 KW NON TIME OF USE

**MONTHLY CONSUMPTION**  
500kW, 250,000kWh

MONTHLY CONSUMPTION 1000kW, 400,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	1000	1.1764	\$ 1,176.40		KW	1000	1.65113	\$ 1,651.13	
COST OF POWER KW	1000	3.5788	\$ 3,578.80		COST OF POWER KW	1000	3.5788	\$ 3,578.80	
COST OF POWER KWH	400,000	0.0591	\$ 23,640.00		COST OF POWER KWH	400,000	0.0591	\$ 23,640.00	
CURRENT 2001 BILL			\$ 28,643.85	Adjusted 2002 BILL			\$ 29,218.92	\$ 575.07	2.0%

MONTHLY CONSUMPTION 1000kW, 500,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	1000	1.1764	\$ 1,176.40		KW	1000	1.65113	\$ 1,651.13	
COST OF POWER KW	1000	3.5788	\$ 3,578.80		COST OF POWER KW	1000	3.5788	\$ 3,578.80	
COST OF POWER KWH	500,000	0.0591	\$ 29,550.00		COST OF POWER KWH	500,000	0.0591	\$ 29,550.00	
CURRENT 2001 BILL			\$ 34,553.85	Adjusted 2002 BILL			\$ 35,128.92	\$ 575.07	1.7%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	3000	1.1764	\$ 3,529.20		KW	3000	1.65113	\$ 4,953.39	
COST OF POWER KW	3000	3.5788	\$ 10,736.40		COST OF POWER KW	3000	3.5788	\$ 10,736.40	
COST OF POWER KWH	1,000,000	0.0591	\$ 59,100.00		COST OF POWER KWH	#####	0.0591	\$ 59,100.00	
CURRENT 2001 BILL			\$ 73,614.25	Adjusted 2002 BILL			\$ 75,138.78	\$ 1,524.53	2.1%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	3000	1.1764	\$ 3,529.20		KW	3000	1.65113	\$ 4,953.39	
COST OF POWER KW	3000	3.5788	\$ 10,736.40		COST OF POWER KW	3000	3.5788	\$ 10,736.40	
COST OF POWER KWH	1,500,000	0.0591	\$ 88,650.00		COST OF POWER KWH	#####	0.0591	\$ 88,650.00	
CURRENT 2001 BILL			\$ 103,164.25	Adjusted 2002 BILL			\$ 104,688.78	\$ 1,524.53	1.5%

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	4000	1.1764	\$ 4,705.60		KW	4000	1.65113	\$ 6,604.52	
COST OF POWER KW	4000	3.5788	\$ 14,315.20		COST OF POWER KW	4000	3.5788	\$ 14,315.20	
COST OF POWER KWH	1,200,000	0.0591	\$ 70,920.00		COST OF POWER KWH	#####	0.0591	\$ 70,920.00	
CURRENT 2001 BILL			\$ 90,189.45	Adjusted 2002 BILL			\$ 92,188.71	\$ 1,999.26	2.2%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	4000	1.1764	\$ 4,705.60		KW	4000	1.65113	\$ 6,604.52	
COST OF POWER KW	4000	3.5788	\$ 14,315.20		COST OF POWER KW	4000	3.5788	\$ 14,315.20	
COST OF POWER KWH	1,800,000	0.0591	\$ 106,380.00		COST OF POWER KWH	#####	0.0591	\$ 106,380.00	
CURRENT 2001 BILL			\$ 125,649.45	Adjusted 2002 BILL			\$ 127,648.71	\$ 1,999.26	1.6%

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			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					kW COST OF POWER					
Demand Charge	100	0.0000	\$	-	Demand Charge	100	0.0000	\$	-	
		RATE \$/kWh					RATE \$/kWh			
COST OF POWER	kWh				COST OF POWER	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			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					kW COST OF POWER					
Demand Charge	100	0.0000	\$	-	Demand Charge	100	0.0000	\$	-	
		RATE \$/kWh					RATE \$/kWh			
COST OF POWER	kWh				COST OF POWER	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					WINTER					
	KW	RATE \$/kW	CHARGE \$			KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	4000	2.4426	\$	9,770.40	DISTRIBUTION kW	4000	3.4283	\$ 13,713.12		
kW COST OF POWER					kW COST OF POWER					
Demand Charge	4000	11.9300	\$	47,720.00	Demand Charge	4000	11.9300	\$ 47,720.00		
		RATE \$/kWh					RATE \$/kWh			
COST OF POWER	kWh				COST OF POWER	kWh				
WINTER PEAK	600,000	0.0707	\$	42,420.00	WINTER PEAK	600,000	0.0707	\$ 42,420.00		
WINTER OFF PEAK	600,000	0.0422	\$	25,320.00	WINTER OFF PEAK	600,000	0.0422	\$ 25,320.00		
MONTHLY SERVICE CHARGE			\$	2,867.82	MONTHLY SERVICE CHARGE			\$ 4,025.11		
TOTAL			\$	128,098.22	TOTAL			\$ 133,198.23	\$ 5,100.01	4.0%
SUMMER					SUMMER					
	KW	RATE \$/kW	CHARGE \$			KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	4000	2.4426	\$	9,770.40	DISTRIBUTION kW	4000	3.4283	\$ 13,713.12		
kW COST OF POWER					kW COST OF POWER					
Demand Charge	4000	5.5500	\$	22,200.00	Demand Charge	4000	5.5500	\$ 22,200.00		
		RATE \$/kWh					RATE \$/kWh			
COST OF POWER	kWh				COST OF POWER	kWh				
SUMMER PEAK	600,000	0.0649	\$	38,940.00	SUMMER PEAK	600,000	0.0649	\$ 38,940.00		
SUMMER OFF PEAK	600,000	0.0329	\$	19,740.00	SUMMER OFF PEAK	600,000	0.0329	\$ 19,740.00		
MONTHLY SERVICE CHARGE			\$	2,867.82	MONTHLY SERVICE CHARGE			\$ 4,025.11		
TOTAL			\$	93,518.22	TOTAL			\$ 98,618.23	\$ 5,100.01	5.5%

LARGE USE

CURRENT 2001 BILL					2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)				
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ENTER DESIRED CONSUMPTION LEVELS  
6000kW, 3,000,000kWh

WINTER

	KW	RATE \$/kW	CHARGE \$	
DISTRIBUTION kW	6000	0.0000	\$ -	
kW COST OF POWER				
Demand Charge	6000	0.0000	\$ -	
		RATE		
		\$/kWh		
COST OF POWER kWh				
WINTER PEAK	1,500,000	0.0000	\$ -	
WINTER OFF				
PEAK	1,500,000	0.0000	\$ -	
MONTHLY SERVICE CHARGE			\$ -	
TOTAL			\$ -	

WINTER

	KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	\$ -		
		RATE			
		\$/kWh			
COST OF POWER kWh					
WINTER PEAK	#####	0.0000	\$ -		
WINTER OFF					
PEAK	1,500,000	0.0000	\$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE \$/kW	CHARGE \$	
DISTRIBUTION kW	6000	0.0000	\$ -	
kW COST OF POWER				
Demand Charge	6000	0.0000	\$ -	
		RATE		
		\$/kWh		
COST OF POWER kWh				
SUMMER PEAK	1,500,000	0.0000	\$ -	
SUMMER OFF				
PEAK	1,500,000	0.0000	\$ -	
MONTHLY SERVICE CHARGE			\$ -	
TOTAL			\$ -	

SUMMER

	KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	\$ -		
		RATE			
		\$/kWh			
COST OF POWER kWh					
SUMMER PEAK	#####	0.0000	\$ -		
SUMMER OFF					
PEAK	1,500,000	0.0000	\$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SHEET 11 - Z-Factor Adder Calculation

NAME OF UTILITY	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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	-	237,454,941	22,701	\$3,366,552.00	69.22%	\$ -
GENERAL SERVICE <50 KW CLASS	-	86,664,385	1,833	\$313,817.00	6.45%	\$ -
GENERAL SERVICE >50 KW NON TIME OF USE	458,711	-	233	\$1,080,254.00	22.21%	\$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	\$0.00	0.00%	\$ -
INTERMEDIATE USE	10,936	-	1	\$53,473.00	1.10%	\$ -
LARGE USER CLASS	0	-	-	\$0.00	0.00%	\$ -
SENTINEL LIGHTS	705	-	321	\$3,109.00	0.06%	\$ -
STREET LIGHTING CLASS	14,326	-	9,033	\$46,259.00	0.95%	\$ -
TOTALS				\$4,863,464.00	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	ALLOCATED Z-Factor Amount for Recovery
	0.437	0.563	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G26 above)	\$ -	\$ -	\$ -
(B) RETAIL KWH	237,454,941		
(C) NUMBER OF CUSTOMERS		22,701	
(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
	0.437	0.563	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G27 above)	\$ -	\$ -	\$ -
(B) RETAIL KWH	86,664,385		
(C) NUMBER OF CUSTOMERS		1,833	
(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
	0.437	0.563	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G28 above)	\$ -	\$ -	\$ -
(B) RETAIL KW	458,711		
(C) NUMBER OF CUSTOMERS		233	
(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
	0.437	0.563	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G30 above)	\$ -	\$ -	\$ -
(B) RETAIL KW	10,936		
(C) NUMBER OF CUSTOMERS		1	
(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	

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
	0.000	1.000	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G31 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!	

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
	0.437	0.563	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G32 above)	\$ -	\$ -	\$ -
(B) RETAIL KW	705		
(C) NUMBER OF CUSTOMERS		321	
(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		\$0.0000	

the total new Service Charge appears on the Rate Schedule on Sheet 12)

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
	0.437	0.563	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G33 above)	\$ -	\$ -	\$ -
(B) RETAIL KW	14,326		
(C) NUMBER OF CUSTOMERS (Connections)		9,033	
(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	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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	\$0.00996
MONTHLY SERVICE CHARGE (Per Customer)	\$11.15961
COST OF POWER KWH RATE	\$0.07450

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.00294				
MONTHLY SERVICE CHARGE (Per Customer)	\$3.29706				
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	\$0.00253
MONTHLY SERVICE CHARGE (Per Customer)	\$12.88529
COST OF POWER KWH RATE	\$0.073300

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.00075				
MONTHLY SERVICE CHARGE (Per Customer)	\$3.80627				
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	\$1.65113
MONTHLY SERVICE CHARGE (Per Customer)	\$348.99047
COST OF POWER KW RATE	\$3.578800
COST OF POWER KWH RATE	\$0.059100

**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	\$3.42828					
MONTHLY SERVICE CHARGE (Per Customer)	\$4,025.10612					
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
	\$11.9300	\$5.5500	\$0.0707	\$0.0422	\$0.0649	\$0.0329

**LARGE 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

**SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$3.09147
MONTHLY SERVICE CHARGE (Per Connection)	\$0.72902
COST OF POWER KW RATE	\$22.9507

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.91270	
MONTHLY SERVICE CHARGE (Per Connection)	\$0.21533	
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	\$2.26393
MONTHLY SERVICE CHARGE (Per Connection)	\$0.38553
COST OF POWER KW RATE	\$22.8718

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.66867	
MONTHLY SERVICE CHARGE (Per Connection)	\$0.11385	
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	Tay Hydro Electric Distribution Co. Inc.	LICENCE NUMBER	0
NAME OF CONTACT	Lillian King	PHONE NUMBER	705-534-7281
E- Mail Address	tayhydro@csolve.net		
VERSION NUMBER	1		
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	2	3	4	5	6	7	8	9	10	Total
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RESIDENTIAL CLASS	\$ - 69.22%	\$ - 69.22%	\$ - 69.22%	\$ - 69.22%	\$ - 69.22%	\$ - 69.22%	\$ - 69.22%	\$ - 69.22%	\$ - 69.22%	\$ - 69.22%	\$ -
GENERAL SERVICE <50 KW CLASS	\$ - 6.45%	\$ - 6.45%	\$ - 6.45%	\$ - 6.45%	\$ - 6.45%	\$ - 6.45%	\$ - 6.45%	\$ - 6.45%	\$ - 6.45%	\$ - 6.45%	\$ -
GENERAL SERVICE >50 KW NON TIME OF USE	\$ - 22.21%	\$ - 22.21%	\$ - 22.21%	\$ - 22.21%	\$ - 22.21%	\$ - 22.21%	\$ - 22.21%	\$ - 22.21%	\$ - 22.21%	\$ - 22.21%	\$ -
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	\$ - 1.10%	\$ - 1.10%	\$ - 1.10%	\$ - 1.10%	\$ - 1.10%	\$ - 1.10%	\$ - 1.10%	\$ - 1.10%	\$ - 1.10%	\$ - 1.10%	\$ -
LARGE USER CLASS	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ -
SENTINEL LIGHTS	\$ - 0.06%	\$ - 0.06%	\$ - 0.06%	\$ - 0.06%	\$ - 0.06%	\$ - 0.06%	\$ - 0.06%	\$ - 0.06%	\$ - 0.06%	\$ - 0.06%	\$ -
STREET LIGHTING CLASS	\$ - 0.95%	\$ - 0.95%	\$ - 0.95%	\$ - 0.95%	\$ - 0.95%	\$ - 0.95%	\$ - 0.95%	\$ - 0.95%	\$ - 0.95%	\$ - 0.95%	\$ -
TOTALS	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	\$ -

	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 Transition Costs for Recovery
2001 Statistics by Class	kW				
RESIDENTIAL CLASS	-	237,454,941	22,701	\$3,366,552.00	69.22% \$ -
GENERAL SERVICE <50 KW CLASS	-	86,664,385	1,833	\$313,817.00	6.45% \$ -
GENERAL SERVICE >50 KW NON TIME OF USE	458,711	-	233	\$1,080,254.00	22.21% \$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	\$0.00	0.00% \$ -
INTERMEDIATE USE	10,936	-	1	\$53,473.00	1.10% \$ -
LARGE USER CLASS	0	-	-	\$0.00	0.00% \$ -
SENTINEL LIGHTS	705	-	321	\$3,109.00	0.06% \$ -
STREET LIGHTING CLASS	14,326	-	9,033	\$46,259.00	0.95% \$ -
TOTALS			\$4,863,464.00	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
	0.437	0.563	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G42 above)	\$ -	\$ -	\$ -
(B) RETAIL KWH	237,454,941		
(C) NUMBER OF CUSTOMERS		22,701	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(E) (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	SERVICE CHARGE REVENUE	2002 Transition Costs for Recovery

	Percentage	Percentage	
	0.437	0.563	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G43 above)	\$ -	\$ -	\$ -
(B) RETAIL KWH	86,664,385		
(C) NUMBER OF CUSTOMERS		1,833	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(E) (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
	0.437	0.563	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G44 above)	\$ -	\$ -	\$ -
(B) RETAIL KW	458,711		
(C) NUMBER OF CUSTOMERS		233	
(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
	0.437	0.563	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G46 above)	\$ -	\$ -	\$ -
(B) RETAIL KW	10,936		
(C) NUMBER OF CUSTOMERS		1	
(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	

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
	0.000	1.000	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G47 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!	

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
	0.437	0.563	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G48 above)	\$ -	\$ -	\$ -
(B) RETAIL KW		705	
(C) NUMBER OF CUSTOMERS		321	
(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
	0.437	0.563	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G49 above)	\$ -	\$ -	\$ -
(B) RETAIL KW		14,326	
(C) NUMBER OF CUSTOMERS (Connections)		9,033	
(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	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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	\$0.0100
MONTHLY SERVICE CHARGE (Per Customer)	\$11.1596
COST OF POWER KWH RATE	\$0.0745

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.0029				
MONTHLY SERVICE CHARGE (Per Customer)	\$3.2971				
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	\$0.0025
MONTHLY SERVICE CHARGE (Per Customer)	\$12.8853
COST OF POWER KWH RATE	\$0.073300

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.0007				
MONTHLY SERVICE CHARGE (Per Customer)	\$3.8063				
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	\$1.6511
MONTHLY SERVICE CHARGE (Per Customer)	\$348.9905
COST OF POWER KW RATE	\$3.578800
COST OF POWER KWH RATE	\$0.059100

**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	\$3.4283					
MONTHLY SERVICE CHARGE (Per Customer)	\$4,025.1061					
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
	\$11.9300	\$5.5500	\$0.0707	\$0.0422	\$0.0649	\$0.0329

**LARGE 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

**SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$3.0915
MONTHLY SERVICE CHARGE (Per Connection)	\$0.7290
COST OF POWER KW RATE	\$22.9507

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.9127	
MONTHLY SERVICE CHARGE (Per Connection)	\$0.2153	
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	\$2.2639
MONTHLY SERVICE CHARGE (Per Connection)	\$0.3855
COST OF POWER KW RATE	\$22.8718

OR

**STREET LIGHTING (TIME OF USE)**



DISTRIBUTION KW RATE	\$0.6687	
MONTHLY SERVICE CHARGE (Per Connection)	\$0.1139	
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	Essex Powerlines Corp.	LICENCE NUMBER	0
NAME OF CONTACT	Ray Tracey	PHONE NUMBER	519-776-8900
E- Mail Address	rtracey@essex-power.com		
VERSION NUMBER	1		
Date	Jan. 9 / 2002		

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				2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)				
ENTER DESIRED CONSUMPTION LEVEL		KWH (enter)	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %
100 kWh										
	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.16	
	DISTRIBUTION KWH	100	0.0071	\$ 0.71		DISTRIBUTION KWH	100	0.00996	\$ 1.00	
	COST OF POWER KWH	100	0.0745	\$ 7.45		COST OF POWER KWH	100	0.0745	\$ 7.45	
	CURRENT 2001 BILL			\$ 16.11	Adjusted 2002 BILL			\$ 19.61	\$ 3.50	21.7%
MONTHLY CONSUMPTION OF 250 kWh										
	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.16	
	DISTRIBUTION KWH	250	0.0071	\$ 1.78		DISTRIBUTION KWH	250	0.00996	\$ 2.49	
	COST OF POWER KWH	250	0.0745	\$ 18.63		COST OF POWER KWH	250	0.0745	\$ 18.63	
	CURRENT 2001 BILL			\$ 28.35	Adjusted 2002 BILL			\$ 32.27	\$ 3.92	13.8%
MONTHLY CONSUMPTION OF 500 kWh										
	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.16	
	DISTRIBUTION KWH	500	0.0071	\$ 3.55		DISTRIBUTION KWH	500	0.00996	\$ 4.98	
	COST OF POWER KWH	500	0.0745	\$ 37.25		COST OF POWER KWH	500	0.0745	\$ 37.25	
	CURRENT 2001 BILL			\$ 48.75	Adjusted 2002 BILL			\$ 53.39	\$ 4.64	9.5%
MONTHLY CONSUMPTION OF 750 kWh										
	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.16	
	DISTRIBUTION KWH	750	0.0071	\$ 5.33		DISTRIBUTION KWH	750	0.00996	\$ 7.47	
	COST OF POWER KWH	750	0.0745	\$ 55.88		COST OF POWER KWH	750	0.0745	\$ 55.88	
	CURRENT 2001 BILL			\$ 69.15	Adjusted 2002 BILL			\$ 74.50	\$ 5.35	7.7%
MONTHLY CONSUMPTION OF 1000 kWh										
	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.16	
	DISTRIBUTION KWH	1000	0.0071	\$ 7.10		DISTRIBUTION KWH	1000	0.00996	\$ 9.96	
	COST OF POWER KWH	1000	0.0745	\$ 74.50		COST OF POWER KWH	1000	0.0745	\$ 74.50	
	CURRENT 2001 BILL			\$ 89.55	Adjusted 2002 BILL			\$ 95.62	\$ 6.07	6.8%

MONTHLY CONSUMPTION OF 1500 kWh											
	KWH (enter)	RATE \$/KWH	CHARGE \$			KWH	RATE \$/KWH	CHARGE \$		IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 7.95		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.16			
DISTRIBUTION KWH	1500	0.0071	\$ 10.65		DISTRIBUTION KWH	1500	0.00996	\$ 14.94			
COST OF POWER KWH	1500	0.0745	\$ 111.75		COST OF POWER KWH	1500	0.0745	\$ 111.75			
CURRENT 2001 BILL			\$ 130.35		Adjusted 2002 BILL			\$ 137.85		\$ 7.50	5.8%

MONTHLY CONSUMPTION OF 2000 kWh					KWH (enter)	RATE \$/KWH	CHARGE \$						KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS	IMPACT %					
MONTHLY SERVICE CHARGE					n/a	n/a	\$	7.95	MONTHLY SERVICE CHARGE				n/a	n/a	\$	11.16						
DISTRIBUTION KWH					2000	0.0071	\$	14.20	DISTRIBUTION KWH				2000	0.00996	\$	19.92						
COST OF POWER KWH					2000	0.0745	\$	149.00	COST OF POWER KWH				2000	0.0745	\$	149.00						
CURRENT 2001 BILL								\$	171.15	Adjusted 2002 BILL								\$	180.08	\$	8.93	5.2%

GENERAL SERVICE < 50 KW

CURRENT 2001 BILL					2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)															
ENTER DESIRED CONSUMPTION LEVEL																				
1000 kWh						KWH	RATE	CHARGE		KWH	RATE	CHARGE	IMPACT	IMPACT						
						(enter)	\$/KWH	\$			\$/KWH	\$	DOLLARS	%						
MONTHLY SERVICE CHARGE		n/a				n/a	\$	9.18	MONTHLY SERVICE CHARGE		n/a			\$	12.89					
DISTRIBUTION KWH		1000				0.0018	\$	1.80	DISTRIBUTION KWH		1000			0.00253	\$	2.53				
COST OF POWER KWH		1000				0.0733	\$	73.30	COST OF POWER KWH		1000			0.0733	\$	73.30				
CURRENT 2001 BILL						\$		84.28	Adjusted 2002 BILL						\$		88.72	\$	4.44	5.3%

MONTHLY CONSUMPTION 2000 kWh											
	KWH (enter)	RATE \$/KWH	CHARGE \$			KWH	RATE \$/KWH	CHARGE \$		IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 9.18		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 12.89			
DISTRIBUTION KWH	2000	0.0018	\$ 3.60		DISTRIBUTION KWH	2000	0.00253	\$ 5.06			
COST OF POWER KWH	2000	0.0733	\$ 146.60		COST OF POWER KWH	2000	0.0733	\$ 146.60			
CURRENT 2001 BILL			\$ 159.38		Adjusted 2002 BILL			\$ 164.55		\$ 5.17	3.2%

MONTHLY CONSUMPTION 5000 kWh											
	KWH (enter)	RATE \$/KWH	CHARGE \$			KWH	RATE \$/KWH	CHARGE \$		IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 9.18		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 12.89			
DISTRIBUTION KWH	5000	0.0018	\$ 9.00		DISTRIBUTION KWH	5000	0.00253	\$ 12.65			
COST OF POWER KWH	5000	0.0733	\$ 366.50		COST OF POWER KWH	5000	0.0733	\$ 366.50			
CURRENT 2001 BILL			\$ 384.68		Adjusted 2002 BILL			\$ 392.04		\$ 7.36	1.9%

MONTHLY CONSUMPTION 10,000 kWh											
	KWH (enter)	RATE \$/KWH	CHARGE \$			KWH	RATE \$/KWH	CHARGE \$		IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 9.18		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 12.89			
DISTRIBUTION KWH	10000	0.0018	\$ 18.00		DISTRIBUTION KWH	10000	0.00253	\$ 25.30			
COST OF POWER KWH	10000	0.0733	\$ 733.00		COST OF POWER KWH	10000	0.0733	\$ 733.00			
CURRENT 2001 BILL			\$ 760.18		Adjusted 2002 BILL			\$ 771.19		\$ 11.01	1.4%

MONTHLY CONSUMPTION				KWH	RATE	CHARGE					KWH	RATE	CHARGE	IMPACT	IMPACT
20,000 KWh				(enter)	\$/KWH	\$						\$/KWH	\$	DOLLARS	%

## GENERAL SERVICE > 50 KW NON TIME OF USE

**MONTHLY CONSUMPTION**  
500kW, 250,000kWh

MONTHLY CONSUMPTION 1000kW, 400,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	1000	1.1764	\$ 1,176.40		KW	1000	1.65113	\$ 1,651.13	
COST OF POWER KW	1000	3.5788	\$ 3,578.80		COST OF POWER KW	1000	3.5788	\$ 3,578.80	
COST OF POWER KWH	400,000	0.0591	\$ 23,640.00		COST OF POWER KWH	400,000	0.0591	\$ 23,640.00	
CURRENT 2001 BILL			\$ 28,643.85	Adjusted 2002 BILL			\$ 29,218.92	\$ 575.07	2.0%

MONTHLY CONSUMPTION 1000kW, 500,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	1000	1.1764	\$ 1,176.40		KW	1000	1.65113	\$ 1,651.13	
COST OF POWER KW	1000	3.5788	\$ 3,578.80		COST OF POWER KW	1000	3.5788	\$ 3,578.80	
COST OF POWER KWH	500,000	0.0591	\$ 29,550.00		COST OF POWER KWH	500,000	0.0591	\$ 29,550.00	
CURRENT 2001 BILL			\$ 34,553.85	Adjusted 2002 BILL			\$ 35,128.92	\$ 575.07	1.7%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	3000	1.1764	\$ 3,529.20		KW	3000	1.65113	\$ 4,953.39	
COST OF POWER KW	3000	3.5788	\$ 10,736.40		COST OF POWER KW	3000	3.5788	\$ 10,736.40	
COST OF POWER KWH	1,000,000	0.0591	\$ 59,100.00		COST OF POWER KWH	#####	0.0591	\$ 59,100.00	
CURRENT 2001 BILL			\$ 73,614.25	Adjusted 2002 BILL			\$ 75,138.78	\$ 1,524.53	2.1%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	3000	1.1764	\$ 3,529.20		KW	3000	1.65113	\$ 4,953.39	
COST OF POWER KW	3000	3.5788	\$ 10,736.40		COST OF POWER KW	3000	3.5788	\$ 10,736.40	
COST OF POWER KWH	1,500,000	0.0591	\$ 88,650.00		COST OF POWER KWH	#####	0.0591	\$ 88,650.00	
CURRENT 2001 BILL			\$ 103,164.25	Adjusted 2002 BILL			\$ 104,688.78	\$ 1,524.53	1.5%

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	4000	1.1764	\$ 4,705.60		KW	4000	1.65113	\$ 6,604.52	
COST OF POWER KW	4000	3.5788	\$ 14,315.20		COST OF POWER KW	4000	3.5788	\$ 14,315.20	
COST OF POWER KWH	1,200,000	0.0591	\$ 70,920.00		COST OF POWER KWH	#####	0.0591	\$ 70,920.00	
CURRENT 2001 BILL			\$ 90,189.45	Adjusted 2002 BILL			\$ 92,188.71	\$ 1,999.26	2.2%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	KW (enter)	RATE \$/KW	CHARGE \$		KW	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 248.65		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.99	
KW	4000	1.1764	\$ 4,705.60		KW	4000	1.65113	\$ 6,604.52	
COST OF POWER KW	4000	3.5788	\$ 14,315.20		COST OF POWER KW	4000	3.5788	\$ 14,315.20	
COST OF POWER KWH	1,800,000	0.0591	\$ 106,380.00		COST OF POWER KWH	#####	0.0591	\$ 106,380.00	
CURRENT 2001 BILL			\$ 125,649.45	Adjusted 2002 BILL			\$ 127,648.71	\$ 1,999.26	1.6%

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			WINTER					
		KW	RATE \$/kW	CHARGE \$		KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					DISTRIBUTION					
kW	100	0.0000	\$	-	kW	100	#DIV/0!	#DIV/0!		
kW COST OF					kW COST OF					
POWER					POWER					
Demand Charge	100	0.0000	\$	-	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					WINTER OFF					
PEAK	20,000	0.0000	\$	-	PEAK	20,000	0.0000	\$	-	
MONTHLY					MONTHLY					
SERVICE					SERVICE					
CHARGE			\$	-	CHARGE			#DIV/0!		
TOTAL			\$	-	TOTAL			#DIV/0!	#DIV/0!	#DIV/0!
		SUMMER			SUMMER					
		KW	RATE \$/kW	CHARGE \$		KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					DISTRIBUTION					
kW	100	0.0000	\$	-	kW	100	#DIV/0!	#DIV/0!		
kW COST OF					kW COST OF					
POWER					POWER					
Demand Charge	100	0.0000	\$	-	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					SUMMER OFF					
PEAK	20,000	0.0000	\$	-	PEAK	20,000	0.0000	\$	-	
MONTHLY					MONTHLY					
SERVICE					SERVICE					
CHARGE			\$	-	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					WINTER					
	KW	RATE \$/kW	CHARGE \$			KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	4000	2.4426	\$	9,770.40	DISTRIBUTION kW	4000	3.4283	\$ 13,713.12		
kW COST OF POWER					kW COST OF POWER					
Demand Charge	4000	11.9300	\$	47,720.00	Demand Charge	4000	11.9300	\$ 47,720.00		
		RATE					RATE			
COST OF POWER	kWh	\$/kWh			COST OF POWER	kWh	\$/kWh			
WINTER PEAK	600,000	0.0707	\$	42,420.00	WINTER PEAK	600,000	0.0707	\$ 42,420.00		
WINTER OFF PEAK	600,000	0.0422	\$	25,320.00	WINTER OFF PEAK	600,000	0.0422	\$ 25,320.00		
MONTHLY SERVICE CHARGE			\$	2,867.82	MONTHLY SERVICE CHARGE			\$ 4,025.11		
TOTAL			\$	128,098.22	TOTAL			\$ 133,198.23	\$ 5,100.01	4.0%
SUMMER					SUMMER					
	KW	RATE \$/kW	CHARGE \$			KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	4000	2.4426	\$	9,770.40	DISTRIBUTION kW	4000	3.4283	\$ 13,713.12		
kW COST OF POWER					kW COST OF POWER					
Demand Charge	4000	5.5500	\$	22,200.00	Demand Charge	4000	5.5500	\$ 22,200.00		
		RATE					RATE			
COST OF POWER	kWh	\$/kWh			COST OF POWER	kWh	\$/kWh			
SUMMER PEAK	600,000	0.0649	\$	38,940.00	SUMMER PEAK	600,000	0.0649	\$ 38,940.00		
SUMMER OFF PEAK	600,000	0.0329	\$	19,740.00	SUMMER OFF PEAK	600,000	0.0329	\$ 19,740.00		
MONTHLY SERVICE CHARGE			\$	2,867.82	MONTHLY SERVICE CHARGE			\$ 4,025.11		
TOTAL			\$	93,518.22	TOTAL			\$ 98,618.23	\$ 5,100.01	5.5%

LARGE USE

CURRENT 2001 BILL					2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)				
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ENTER DESIRED CONSUMPTION LEVELS  
6000kW, 3,000,000kWh

WINTER

	KW	RATE \$/kW	CHARGE \$	
DISTRIBUTION kW	6000	0.0000	\$ -	
kW COST OF POWER				
Demand Charge	6000	0.0000	\$ -	
		RATE		
		\$/kWh		
COST OF POWER kWh				
WINTER PEAK	1,500,000	0.0000	\$ -	
WINTER OFF				
PEAK	1,500,000	0.0000	\$ -	
MONTHLY SERVICE CHARGE			\$ -	
TOTAL			\$ -	

WINTER

	KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	\$ -		
		RATE			
		\$/kWh			
COST OF POWER kWh					
WINTER PEAK	#####	0.0000	\$ -		
WINTER OFF					
PEAK	1,500,000	0.0000	\$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE \$/kW	CHARGE \$	
DISTRIBUTION kW	6000	0.0000	\$ -	
kW COST OF POWER				
Demand Charge	6000	0.0000	\$ -	
		RATE		
		\$/kWh		
COST OF POWER kWh				
SUMMER PEAK	1,500,000	0.0000	\$ -	
SUMMER OFF				
PEAK	1,500,000	0.0000	\$ -	
MONTHLY SERVICE CHARGE			\$ -	
TOTAL			\$ -	

SUMMER

	KW	RATE \$/kW	CHARGE \$	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	\$ -		
		RATE			
		\$/kWh			
COST OF POWER kWh					
SUMMER PEAK	#####	0.0000	\$ -		
SUMMER OFF					
PEAK	1,500,000	0.0000	\$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

**Essex Powerlines Corporation**  
**Schedule of Rates and Charges**  
Effective March 1, 2002

RP-2002-0037  
EB-2002-0046

**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.

Note: Cost of power rates valid only until the opening of the electricity market.

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$11.15
Distribution Volumetric Rate	(per kWh)	\$0.0099
Cost of Power Rate	(per kWh)	\$0.0745

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$12.87
Distribution Volumetric Rate	(per kWh)	\$0.0025
Cost of Power Rate	(per kWh)	\$0.0733

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$348.64
Distribution Volumetric Rate	(per kW)	\$1.6495
Cost of Power Demand Rate	(per kW)	\$3.5788
Cost of Power Energy Rate	(per kWh)	\$0.0591

**GENERAL SERVICE INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$4,021.10
Distribution Volumetric Rate	(per kW)	\$3.4249
Cost of Power - Winter Peak	(per kW)	\$11.9300
Cost of Power - Summer Peak	(per kW)	\$5.5500
Cost of Power - Winter Peak	(per kWh)	\$0.0707
Cost of Power - Winter Off Peak	(per kWh)	\$0.0422
Cost of Power - Summer Peak	(per kWh)	\$0.0649
Cost of Power - Summer Off Peak	(per kWh)	\$0.0329



**Essex Powerlines Corporation**  
**Schedule of Rates and Charges -- Page 2**  
Effective March 1, 2002

RP-2002-0037  
EB-2002-0046

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per month)	\$0.73
Distribution Volumetric Rate	(per kW)	\$3.0884
Cost of Power Demand Rate	(per kW)	\$22.9507

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per month)	\$0.39
Distribution Volumetric Rate	(per kW)	\$2.2617
Cost of Power Demand Rate	(per kW)	\$22.8718

**UN-METERED SCATTERED LOAD**

Monthly Service Charge	(per month)	\$8.18
Distribution Volumetric Rate	(per kWh)	\$0.0251
Cost of Power Rate	(per kWh)	\$0.0703

**SPECIFIC SERVICE CHARGES**

New Account Setup	\$	10.00
Change of Occupancy	\$	10.00
Arrear's Certificate		\$12.00
Late Payment (a per month)		1.50%
(per annum)		19.56%
Dispute Involvement Charge		\$10.00
Returned Cheque (plus actual Bank Charges)		\$21.00
Collection of Account Charge		\$9.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours		\$25.00
At Meter - After Hours		\$110.00
Temporary Pole Service	\$	125.00
Sevice Charge on Customer owned Equipment	\$	30.00
Transformer Ownership Credit - per kw of billing demand for transformation that meets utility transformer loss specifications		\$ .60 per kw

SHEET 1 - December 31, 2002 Regulatory Assets

V1

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	<a href="mailto:rdimmel@essexpower.ca">rdimmel@essexpower.ca</a>		
VERSION NUMBER	Version 1		
Date	15-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	\$1,107,140
RSVA - Retail Transmission Network Charge	1584	\$383,814
RSVA - Retail Transmission Connection Charge	1586	-\$19,855
RSVA - Power	1588	-\$496,296
Sub-Total		\$974,804
RSVA - One-time Wholesale Market Service	1582	\$35,729
Other Regulatory Assets	1508	\$25,495
Retail Cost Variance Account - Retail	1518	\$14,850
Retail Cost Variance Account - STR	1548	\$91
Misc. Deferred Debits - incl. Rebate Cheques	1525	
Deferred Payments in Lieu of Taxes	1562	\$307,645
PILs Contra Account	1563	
Qualifing Transition Costs	1570	\$933,460
Pre-Market Opening Energy Variances Total	1571	\$693,082
Pre-Market Opening Energy Variances - 2001		\$693,082
Pre-Market Opening Energy Variances - 2002		
Extra-Ordinary Event Losses	1572	\$171,178
Deferred Rate Impact Amounts	1574	\$0
Other Deferred Credits	2425	\$0
Total Applied-for Regulatory Assets	(a)	\$3,156,335
(1) Total of 4 RSVA Accounts	(b)	\$974,804 Approved for 2004 Final Recovery
4 RSVA accounts as a percent of total: (b) / (a)		30.9%
(2) 25 % of (a)	(c)	\$789,084

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)	\$789,084	Approved for Final 2004 Rate Recovery
Gross Up for Recovery over 11 months: Amount (c) x 12/11	\$860,819	Enter this amount on Sheet 3 (Therefore, entry on Sheet 5 is zero.)
Remaining Final Amount to be recovered in future periods (b) - (c)	\$185,720	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)		\$789,084	Approved for 2004 Rate Recovery
Final 4 RSVA Amount as shown at (b)		\$974,804	
Gross Up for Recovery over 11 months: Amount (b) x 12/11		<div>\$1,063,423</div>	Enter this amount on Sheet 3
Interim Amount to be recovered (c) - (b)	(d)	-\$185,720	
Gross Up for Recovery over 11 months: Amount (d) x 12/11		<div>-\$202,604</div>	Enter this amount on Sheet 5
Total Final + Interim Amount for Recovery (b) + (d) (no gross up)		\$789,084	

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

V1

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	rdimmel@essexpower.ca		
VERSION NUMBER	Version 1		
Date	15-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	\$0.0081
MONTHLY SERVICE CHARGE (Per Customer)	\$9.13

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	\$0.0021
MONTHLY SERVICE CHARGE (Per Customer)	\$10.54

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	\$1.3507
MONTHLY SERVICE CHARGE (Per Customer)	\$285.48

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	\$2.8044
MONTHLY SERVICE CHARGE (Per Customer)	\$3,292.66

LARGE USE - Scattered Load

DISTRIBUTION KW RATE	\$0.0205
MONTHLY SERVICE CHARGE (Per Customer)	\$6.69

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	\$2.5291
MONTHLY SERVICE CHARGE (Per Connection)	\$0.60

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

**STREET LIGHTING (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$1.8520
MONTHLY SERVICE CHARGE (Per Connection)	\$0.32

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

**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	\$	10.00
Change of Occupancy	\$	10.00
Account History		
Administration Fee		
Current Year Data		
Each Additional Year Data		
Dispute Involvement Charge	\$	10.00
Arrear's Certificate	\$	12.00
Late Payment		1.50%
Returned Cheque ( plus actual bank charges)	\$	21.00
Collection of Account Charge	\$	9.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	\$	25.00
At Meter - After Hours	\$	110.00
At Pole - During Regular Hours		
At Pole - After Hours		
Temporary Pole Service	\$	125.00
Sevice Charge on Customer Owned Equipment	\$	30.00
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	
Transformer Ownership Credit (per kW demand)	\$	0.60

# SHEET 3 - Calculating Rate Increases using 2002 LDC Data and adding the 4 major 2004 RSVA related Approver

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	rdimmel@essexpower.ca		
VERSION NUMBER	Version 1		
Date	15-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. \$ 860,818.57  
If the total of the 4 major RSVA related Regulatory Assets is less than 25% of the total Regulatory 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	-	260,860,739	23,830	\$5,670,245.00	49.1%	\$ 422,712.69
GENERAL SERVICE <50 KW CLASS	-	76,015,392	1,867	\$457,759.00	14.3%	\$ 123,179.40
GENERAL SERVICE >50 KW NON TIME OF USE	505,539	184,492,594	178	\$1,446,880.00	34.7%	\$ 298,961.66
GENERAL SERVICE >50 KW TIME OF USE			0		0.0%	\$ -
INTERMEDIATE USE	24,004	3,349,290	1	\$94,973.00	0.6%	\$ 5,427.37
LARGE USER CLASS - Scattered Load	1,290,493	1,290,493	133	\$41,217.00	0.2%	\$ 2,091.18
SENTINEL LIGHTS	933	309,083	359	\$5,851.00	0.1%	\$ 500.85
STREET LIGHTING CLASS	14,707	4,903,202	6,765	\$68,333.00	0.9%	\$ 7,945.41
TOTALS		531,220,793	33,133	\$7,785,258.00	1.00	\$ 860,818.57
		Allocated Total for 4 major RSVA accounts ==>				\$ 860,818.57

## 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)	\$ 422,712.69	\$ -	\$ 422,712.69
(B) RETAIL kWh in 2002	260,860,739		
(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)	\$0.001620		

## 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	\$ 123,179.40	\$ -	\$ 123,179.40

(Total in Cell G23 above)

(B) RETAIL kWh in 2002 76,015,392

(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) \$0.001620  
(this amount is added to the kWh rate shown on Sheet 2 and  
the total new rate appears on the Rate Schedule on Sheet 4)

### **General Service >50kW 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 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G24 above)	\$ 298,961.66	\$ -	\$ 298,961.66
(B) RETAIL KW in 2002	505,539		
(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)	\$0.591373		

### **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 4 RSVA Regulatory Asset Recovery
	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 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 G26 above)	\$ 5,427.37	\$ -	\$ 5,427.37
(B) RETAIL KW in 2002	24,004		
(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)	\$0.226106		

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 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G27 above)	\$ 2,091.18	\$ -	\$ 2,091.18
(B) RETAIL KW in 2002	1,290,493		
(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)	\$0.001620		

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 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G28 above)	\$ 500.85	\$ -	\$ 500.85
(B) RETAIL KW in 2002	933		
(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)	\$0.536741		

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)	\$ 7,945.41	\$ -	\$ 7,945.41
(B) RETAIL KW in 2002	14,707		
(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)	\$0.540256		



**d Regulatory Assets**





SHEET 4 - 2004 Rates including 2004 Recovery of the 4 Major RSVA Accounts

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	rdimmel@essexpower.ca		
VERSION NUMBER	Version 1		
Date	15-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	\$0.0097
MONTHLY SERVICE CHARGE (Per Customer)	\$9.13

**RESIDENTIAL (TIME OF USE)**

DISTRIBUTION KWH RATE	\$0.0016
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

**GENERAL SERVICE < 50 KW**

DISTRIBUTION KWH RATE	\$0.0037
MONTHLY SERVICE CHARGE (Per Customer)	\$10.54

**GENERAL SERVICE > 50 KW (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$1.9421
MONTHLY SERVICE CHARGE (Per Customer)	\$285.48

**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	\$3.0305
MONTHLY SERVICE CHARGE (Per Customer)	\$3,292.66

**LARGE USE - Scattered Load**

DISTRIBUTION KW RATE	\$0.0221
MONTHLY SERVICE CHARGE (Per Customer)	\$6.69

**SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$3.0658
MONTHLY SERVICE CHARGE (Per Connection)	\$0.60

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.5367
MONTHLY SERVICE CHARGE (Per Connection)	\$0.00

**STREET LIGHTING (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$2.3923
MONTHLY SERVICE CHARGE (Per Connection)	\$0.32

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.5403
MONTHLY SERVICE CHARGE (Per Connection)	\$0.00

SHEET 5 - Calculating Rate Increases using 2002 LDC Data and additional Interim Regulatory Assets

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	rdimmel@essexpower.ca		
VERSION NUMBER	Version 1		
Date	15-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 Regulatory 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.

\$ -

		kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2002 Interim Reg. Asset Allocations
2002 Statistics by Class	kW					
RESIDENTIAL CLASS	-	260,860,739	23,830	\$5,670,245.00	72.8%	\$ -
GENERAL SERVICE <50 KW CLASS	-	76,015,392	1,867	\$457,759.00	5.9%	\$ -
GENERAL SERVICE >50 KW NON TIME OF USE	505,539	184,492,594	178	\$1,446,880.00	18.6%	\$ -
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	\$0.00	0.0%	\$ -
INTERMEDIATE USE	24,004	3,349,290	1	\$94,973.00	1.2%	\$ -
LARGE USER CLASS - Scattered Load	1,290,493	1,290,493	133	\$41,217.00	0.5%	\$ -
SENTINEL LIGHTS	933	309,083	359	\$5,851.00	0.1%	\$ -
STREET LIGHTING CLASS	14,707	4,903,202	6,765	\$68,333.00	0.9%	\$ -
TOTALS		531,220,793	33,133	\$7,785,258.00	1.00	\$ -
		Allocated Total for additional interim amounts ==>				\$ -

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)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002	260,860,739		
(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)	\$0.000000		

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)

(B) RETAIL kWh in 2002 76,015,392

(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) \$0.000000  
(this amount is added to the kWh rate shown on Sheet 2 and  
the total new rate appears on the Rate Schedule on Sheet 4)

### **General Service >50kW 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)	\$ -	\$ -	\$ -

(B) RETAIL KW in 2002 505,539

(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) \$0.000000  
(this amount is added to the kW rate shown on Sheet 2 and  
the total new rate appears on the Rate Schedule on Sheet 4)

### **General Service >50kW 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) #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)

### **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 24,004

(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) \$0.000000  
(this amount is added to the kW rate shown on Sheet 2 and  
the total new rate appears on the Rate Schedule on Sheet 4)

**Large User Class**

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)	\$ -	\$ -	\$ -
(B) RETAIL KW in 2002	1,290,493		
(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)	\$0.000000		

**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	933		
(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)	\$0.000000		

**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)	\$ -	\$ -	\$ -
(B) RETAIL KW in 2002	14,707		
(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)	\$0.000000		



SHEET 6 - 2004 Rates including 2004 Recovery of Interim Regulatory Asset Amounts

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	rdimmel@essexpower.ca		
VERSION NUMBER	Version 1		
Date	15-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	\$0.0097
MONTHLY SERVICE CHARGE (Per Customer)	\$9.13

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.0016
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	\$0.0037
MONTHLY SERVICE CHARGE (Per Customer)	\$10.54

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	\$1.9421
MONTHLY SERVICE CHARGE (Per Customer)	\$285.48

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	\$3.0305
MONTHLY SERVICE CHARGE (Per Customer)	\$3,292.66

LARGE USE - Scattered Load

DISTRIBUTION KW RATE	\$0.0221
MONTHLY SERVICE CHARGE (Per Customer)	\$6.69

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	\$3.0658
MONTHLY SERVICE CHARGE (Per Connection)	\$0.60

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.5367
MONTHLY SERVICE CHARGE (Per Connection)	\$0.00

**STREET LIGHTING (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$2.3923
MONTHLY SERVICE CHARGE (Per Connection)	\$0.32

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE	\$0.5403
MONTHLY SERVICE CHARGE (Per Connection)	\$0.00

## SHEET 7 - Calculating Rate Increases using 2002 LDC Data and the 2004 PILs Proxy

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	rdimmel@essexpower.ca		
VERSION NUMBER	Version 1		
Date	15-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. \$ 1,108,973.00

	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2004 PILs Proxy Allocations
<b>2002 Statistics by Class</b>	<b>kW</b>					
RESIDENTIAL CLASS	-	260,860,739	23,830	\$5,670,245.00	72.8%	\$ 807,699.45
GENERAL SERVICE <50 KW CLASS	-	76,015,392	1,867	\$457,759.00	5.9%	\$ 65,205.59
GENERAL SERVICE >50 KW NON TIME OF USE	505,539	184,492,594	178	\$1,446,880.00	18.6%	\$ 206,101.18
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	\$0.00	0.0%	\$ -
INTERMEDIATE USE	24,004	3,349,290	1	\$94,973.00	1.2%	\$ 13,528.45
LARGE USER CLASS - Scattered Load	1,290,493	1,290,493	133	\$41,217.00	0.5%	\$ 5,871.17
SENTINEL LIGHTS	933	309,083	359	\$5,851.00	0.1%	\$ 833.45
STREET LIGHTING CLASS	14,707	4,903,202	6,765	\$68,333.00	0.9%	\$ 9,733.71
<b>TOTALS</b>		<b>531,220,793</b>	<b>33,133</b>	<b>\$7,785,258.00</b>	<b>1.00</b>	<b>\$ 1,108,973.00</b>
		Allocated Total for additional interim amounts ==>				<b>\$ 1,108,973.00</b>

### 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)	\$ 807,699.45	\$ -	\$ 807,699.45
(B) RETAIL kWh in 2002	260,860,739		
(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)	\$0.003096		

### 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)	\$ 65,205.59	\$ -	\$ 65,205.59

(B) RETAIL kWh in 2002 76,015,392

(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) \$0.000858  
(this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)

**General Service >50kW 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)	\$ 206,101.18	\$ -	\$ 206,101.18

(B) RETAIL KW in 2002 505,539

(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) \$0.407686  
(this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)

**General Service >50kW 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) #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)

**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)	\$ 13,528.45	\$ -	\$ 13,528.45

(B) RETAIL KW in 2002 24,004

(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) \$0.563600  
(this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)

**Large User Class**

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G27 above)	\$ 5,871.17	\$ -	\$ 5,871.17
(B) RETAIL KW in 2002	1,290,493		
(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)	\$0.004550		

**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)	\$ 833.45	\$ -	\$ 833.45
(B) RETAIL KW in 2002	933		
(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)	\$0.893164		

**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)	\$ 9,733.71	\$ -	\$ 9,733.71
(B) RETAIL KW in 2002	14,707		
(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)	\$0.661853		

SHEET 8 - 2004 Rates including Recovery of 2004 PILs

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	rdimmel@essexpower.ca		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of 2004 PILs.

**RESIDENTIAL**

DISTRIBUTION KWH RATE	\$0.0128
MONTHLY SERVICE CHARGE (Per Customer)	\$9.13

**RESIDENTIAL (TIME OF USE)**

DISTRIBUTION KWH RATE	\$0.0047
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

**GENERAL SERVICE < 50 KW**

DISTRIBUTION KWH RATE	\$0.0046
MONTHLY SERVICE CHARGE (Per Customer)	\$10.54

**GENERAL SERVICE > 50 KW (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$2.3498
MONTHLY SERVICE CHARGE (Per Customer)	\$285.48

**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	\$3.5941
MONTHLY SERVICE CHARGE (Per Customer)	\$3,292.66

**LARGE USE - Scattered Load**

DISTRIBUTION KW RATE	\$0.0267
MONTHLY SERVICE CHARGE (Per Customer)	\$6.69

**SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$3.9590
MONTHLY SERVICE CHARGE (Per Connection)	\$0.60

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	\$1.4299
MONTHLY SERVICE CHARGE (Per Connection)	\$0.00

**STREET LIGHTING (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$3.0541
MONTHLY SERVICE CHARGE (Per Connection)	\$0.32

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE	\$1.2021
MONTHLY SERVICE CHARGE (Per Connection)	\$0.00

SHEET 9 - Adjustment to Maintain the Current Service Charge Level

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	rdimmel@essexpower.ca		
VERSION NUMBER	Version 1		
Date	15-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.

		kWh	Number of Customers (Connections)	Current Approved Fixed Charge
2002 Statistics by Class		kW		
RESIDENTIAL CLASS	-	260,860,739	23,830	\$11.15
GENERAL SERVICE <50 KW CLASS	-	76,015,392	1,867	\$12.87
GENERAL SERVICE >50 KW NON TIME OF USE	505,539	184,492,594	178	\$348.64
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	\$0.00
INTERMEDIATE USE	24,004	3,349,290	1	\$4,021.10
LARGE USER CLASS - Scattered Load	1,290,493	1,290,493	133	\$8.18
SENTINEL LIGHTS	933	309,083	359	\$0.73
STREET LIGHTING CLASS	14,707	4,903,202	6,765	\$0.39
TOTALS				
		531,220,793	33,133	

Residential Class

Revenue from Current Monthly Service Charge		\$3,188,454	
Revenue from Calculated Monthly Service Charge (Sheet 8)		\$2,610,815	
Difference		\$577,639	
Variable Rate Adjustment	\$/kWh	\$	0.0022
Adjusted Variable Rate	\$/kWh		\$ 0.0106

Residential Class (Time of Use)

Revenue from Current Monthly Service Charge		\$3,188,454	
Revenue from Calculated Monthly Service Charge (Sheet 8)		\$2,610,815	
Difference		\$577,639	
Variable Rate Adjustment	\$/kWh	\$	0.0022
Adjusted Variable Rate	\$/kWh		\$ 0.0025

General Service <50 kW Class

Revenue from Current Monthly Service Charge		\$288,339	
Revenue from Calculated Monthly Service Charge (Sheet 8)		\$236,138	
Difference		\$52,201	
Variable Rate Adjustment	\$/kWh	\$	0.0007
Adjusted Variable Rate	\$/kWh		\$ 0.0039

General Service >50 kW Class (Non Time of Use)

Revenue from Current Monthly Service Charge		\$744,695	
Revenue from Calculated Monthly Service Charge (Sheet 8)		\$609,785	
Difference		\$134,910	
Variable Rate Adjustment	\$/kW	\$	0.2669



Adjusted Variable Rate	\$/kW		\$2.0829
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**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			\$48,253
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$39,512
Difference			\$8,741

Variable Rate Adjustment	\$/kW	0.36416612	
Adjusted Variable Rate	\$/kW		\$3.2300

**General Service Large Use Class**

Revenue from Current Monthly Service Charge			\$13,055
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$10,677
Difference			\$2,378

Variable Rate Adjustment	\$/kW	0.00	
Adjusted Variable Rate	\$/kW		\$0.0248

**Sentinal Lights (Non Time of Use)**

Revenue from Current Monthly Service Charge			\$3,145
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$2,585
Difference			\$560

Variable Rate Adjustment	\$/kW	0.600167041	
Adjusted Variable Rate	\$/kW		\$3.3588

OR

**Sentinal Lights (Time of Use)**

Revenue from Current Monthly Service Charge			\$3,145
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0
Difference			\$3,145

Variable Rate Adjustment	\$/kW	3.370168771	
Adjusted Variable Rate	\$/kW		\$(1.9403)

**Streetlighting (Non Time of Use)**

Revenue from Current Monthly Service Charge			\$31,660
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$25,978
Difference			\$5,683

Variable Rate Adjustment	\$/kW	0.3864	
Adjusted Variable Rate	\$/kW		\$2.6677

OR

**Streetlighting (Time of Use)**

Revenue from Current Monthly Service Charge			\$31,660
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0
Difference			\$31,660

Variable Rate Adjustment	\$/kW	2.15	
Adjusted Variable Rate	\$/kW		\$(0.9507)

**Essex Powerlines Corporation**  
**Schedule of Distribution Rates and Charges**

Effective April 1, 2004 until February 28, 2005

RP-2004-0045

EB-2004-0031

LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$11.15
Distribution Volumetric Rate	(per kWh)	\$0.0106

**RESIDENTIAL (Time of Use)**

Monthly Service Charge	(per month)	\$11.15
Distribution Volumetric Rate	(per kWh)	\$0.0025

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$12.87
Distribution Volumetric Rate	(per kWh)	\$0.0039

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$348.64
Distribution Volumetric Rate	(per kW)	\$2.0829

**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)	\$4,021.10
Distribution Volumetric Rate	(per kWh)	\$3.2300

**LARGE USE - Scattered Load**

Monthly Service Charge	(per month)	\$8.18
Distribution Volumetric Rate	(per kWh)	\$0.0248

(continued)

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per month)	\$0.73
Distribution Volumetric Rate	(per kW)	\$3.3588

**SENTINEL LIGHTS (Time of Use)**

Monthly Service Charge	(per month)	\$0.73
Distribution Volumetric Rate	(per kW)	-\$1.9403

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per month)	\$0.39
Distribution Volumetric Rate	(per kW)	\$2.6677

**STREET LIGHTING (Time of Use)**

Monthly Service Charge	(per month)	\$0.39
Distribution Volumetric Rate	(per kW)	-\$0.9507

**SPECIFIC SERVICE CHARGES**

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES HERE (as on Sheet 2)

New Account Setup	\$	10.00
Change of Occupancy	\$	10.00
Account History		
Administration Fee		
Current Year Data		
Each Additional Year Data		
Dispute Involvement Charge	\$	10.00
Arrear's Certificate	\$	12.00
Late Payment		1.50%
Returned Cheque ( plus actual bank charges)	\$	21.00
Collection of Account Charge	\$	9.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	\$	25.00
At Meter - After Hours	\$	110.00
At Pole - During Regular Hours		
At Pole - After Hours		
Temporary Pole Service	\$	125.00
Service Charge on Customer Owned Equipment	\$	30.00
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 Cr Winter (discontinued at Market Summer)		
Transformer Ownership Credit (per kW demand)	\$	0.60

Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments

(commodity price constant)

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	rdimmel@essexpower.ca		
VERSION NUMBER	Version 1		
Date	15-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	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
100 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.15		
DISTRIBUTION kWh	100	0.0099	\$ 0.99	DISTRIBUTION kWh	100	0.0106	\$ 1.06		
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			\$ 18.83	Adjusted 2004 BILL			\$ 18.90	\$ 0.07	0.4%
MONTHLY CONSUMPTION OF 250 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.15		
DISTRIBUTION kWh	250	0.0099	\$ 2.48	DISTRIBUTION kWh	250	0.0106	\$ 2.65		
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			\$ 30.35	Adjusted 2004 BILL			\$ 30.53	\$ 0.18	0.6%
MONTHLY CONSUMPTION OF 500 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.15		
DISTRIBUTION kWh	500	0.0099	\$ 4.95	DISTRIBUTION kWh	500	0.0106	\$ 5.30		
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			\$ 49.55	Adjusted 2004 BILL			\$ 49.90	\$ 0.35	0.7%
MONTHLY CONSUMPTION OF 750 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.15		
DISTRIBUTION kWh	750	0.0099	\$ 7.43	DISTRIBUTION kWh	750	0.0106	\$ 7.95		
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			\$ 68.75	Adjusted 2004 BILL			\$ 69.28	\$ 0.53	0.8%
MONTHLY CONSUMPTION OF 1000 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 11.15		
DISTRIBUTION kWh	1000	0.0099	\$ 9.90	DISTRIBUTION kWh	1000	0.0106	\$ 10.60		
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

\$87.95

Adjusted 2004 BILL

\$88.65

\$0.70

0.8%

MONTHLY CONSUMPTION OF 1500 kWh		kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE		n/a	n/a	\$11.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$11.15		
DISTRIBUTION kWh		1500	0.0099	\$14.85	DISTRIBUTION kWh	1500	0.0106	\$15.90		
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

\$126.35

Adjusted 2004 BILL

\$127.40

\$1.05

0.8%

MONTHLY CONSUMPTION OF 2000 kWh		kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE		n/a	n/a	\$11.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$11.15		
DISTRIBUTION kWh		2000	0.0099	\$19.80	DISTRIBUTION kWh	2000	0.0106	\$21.20		
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

\$164.75

Adjusted 2004 BILL

\$166.15

\$1.40

0.9%

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	\$12.87	MONTHLY SERVICE CHARGE	n/a	n/a	\$12.87		
DISTRIBUTION kWh		1000	0.0025	\$2.50	DISTRIBUTION kWh	1000	0.0039	\$3.89		
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				\$81.27	Adjusted 2004 BILL				\$82.66	1.39 1.7%
MONTHLY CONSUMPTION 2000 kWh		kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE		n/a	n/a	\$12.87	MONTHLY SERVICE CHARGE	n/a	n/a	\$12.87		
DISTRIBUTION kWh		2000	0.0025	\$5.00	DISTRIBUTION kWh	2000	0.0039	\$7.78		
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				\$149.67	Adjusted 2004 BILL				\$152.45	2.78 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	\$12.87	MONTHLY SERVICE CHARGE	n/a	n/a	\$12.87		
DISTRIBUTION kWh		5000	0.0025	\$12.50	DISTRIBUTION kWh	5000	0.0039	\$19.46		
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				\$354.87	Adjusted 2004 BILL				\$361.83	6.96 2.0%
MONTHLY CONSUMPTION 10,000 kWh		kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE		n/a	n/a	\$12.87	MONTHLY SERVICE CHARGE	n/a	n/a	\$12.87		

DISTRIBUTION kWh	10000	0.0025	\$	25.00	DISTRIBUTION kWh	10000	0.0039	\$	38.92
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			\$	696.87	Adjusted 2004 BILL		\$	710.79	\$ 13.92 2.0%

MONTHLY CONSUMPTION 15,000 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$	12.87	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 12.87	
DISTRIBUTION kWh	15000	0.0025	\$	37.50	DISTRIBUTION kWh	15000	0.0039	\$ 58.37	
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			\$	1,038.87	Adjusted 2004 BILL		\$ 1,059.74	\$ 20.87 2.0%	

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			MONTHLY SERVICE CHARGE	n/a	n/a	\$ 348.64	
DISTRIBUTION kW	60	1.6495	\$ 98.97		DISTRIBUTION kW	60	2.0829	\$ 124.97	
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			\$ 1,705.21	Adjusted 2004 BILL	\$ 1,731.21			\$ 26.00	1.5%

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	\$ 348.64		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 348.64	
DISTRIBUTION kW	100	1.6495	\$ 164.95		DISTRIBUTION kW	100	2.0829	\$ 208.29	
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			\$ 3,632.59		Adjusted 2004 BILL		\$ 3,675.93	\$ 43.34 1.2%	

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	\$ 348.64		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 348.64	
DISTRIBUTION kW	500	1.6495	\$ 824.75		DISTRIBUTION kW	500	2.0829	\$ 1,041.45	
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			\$ 9,948.39		Adjusted 2004 BILL		\$ 10,165.09	\$ 216.70 2.2%	

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	\$ 348.64		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 348.64	
DISTRIBUTION kW	1000	1.6495	\$ 1,649.50		DISTRIBUTION kW	1000	2.0829	\$ 2,082.90	
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				\$ 33,188.14	Adjusted 2004 BILL				\$ 33,621.54 \$ 433.40 1.3%

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 DISTRIBUTION	n/a	n/a	\$ 348.64		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.64	
kW	3000	1.6495	\$ 4,948.50		kW	3000	2.0829	\$ 6,248.69	
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				\$ 85,227.14	Adjusted 2004 BILL				\$ 86,527.33 \$ 1,300.19 1.5%

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 DISTRIBUTION	n/a	n/a	\$ 348.64		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 348.64	
kW	4000	1.6495	\$ 6,598.00		kW	4000	2.08290	\$ 8,331.58	
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				\$ 145,346.64	Adjusted 2004 BILL				\$ 147,080.22 \$ 1,733.58 1.2%

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)
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ENTER DESIRED CONSUMPTION LEVEL

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$0.00		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -	
kW	60	0.0000	\$ -		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 DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -	
kW	100	0.0000	\$ -		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 DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -	
kW	500	0.0000	\$ -		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!

MONTHLY CONSUMPTION  
1000kW, 400,000kWh

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$			kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		
kW	1000	0.0000	\$ -		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!

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 DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		
kW	3000	0.0000	\$ -		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!

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 DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		
kW	4000	0.0000	\$ -		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!

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)
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ENTER DESIRED CONSUMPTION LEVEL

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$			kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY CONSUMPTION					MONTHLY CONSUMPTION					
3000kW, 800,000 kWh	n/a	n/a	\$4,021.10		3000kW, 800,000 kWh	n/a	n/a	\$ 4,021.10		
MONTHLY SERVICE CHARGE DISTRIBUTION	3000	3.4249	\$ 10,274.70		MONTHLY SERVICE CHARGE DISTRIBUTION	3000	3.2300	\$ 9,689.94		
kW	3000	4.2138	\$ 12,641.40		kW	3000	4.2138	\$ 12,641.40		
OTHER CHARGES kW	800,000	0.0132	\$ 10,560.00		OTHER CHARGES kW	800,000	0.0132	\$ 10,560.00		
OTHER CHARGES kWh	800,000	0.0550	\$ 44,000.00		OTHER CHARGES kWh	800,000	0.0550	\$ 44,000.00		
COST OF POWER kWh					COST OF POWER kWh					
CURRENT 2003 BILL				\$ 81,497.20	Adjusted 2004 BILL				\$ 80,912.44	\$ (584.76) -0.7%

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 DISTRIBUTION	n/a	n/a	\$ 4,021.10		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 4,021.10		
kW	3000	3.4249	\$ 10,274.70		kW	3000	3.2300	\$ 9,689.94		



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			\$	95,137.20	Adjusted 2004 BILL		\$	94,552.44	\$ (584.76) -0.6%

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 DISTRIBUTION	n/a	n/a	\$	4,021.10	MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$	4,021.10
kW	4000	3.4249	\$	13,699.60	kW	4000	3.2300	\$	12,919.93
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			\$	116,415.90	Adjusted 2004 BILL		\$	115,636.23	\$ (779.67) -0.7%

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 DISTRIBUTION	n/a	n/a	\$	4,021.10	MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$	4,021.10
kW	4000	3.4249	\$	13,699.60	kW	4000	3.2300	\$	12,919.93
OTHER CHARGES kW	4000	4.2138	\$	16,855.20	OTHER CHARGES kW	4000	4.2138	\$	16,855.20
OTHER CHARGES kWh	#####	0.0132	\$	23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	\$	23,760.00
COST OF POWER kWh	#####	0.0550	\$	99,000.00	COST OF POWER kWh	1,800,000	0.0550	\$	99,000.00
CURRENT 2003 BILL			\$	157,335.90	Adjusted 2004 BILL		\$	156,556.23	\$ (779.67) -0.5%

LARGE USE CLASS - Scattered Load

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)
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ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION		kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
6000kW, 2,800,000 kWh	MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$8.18	MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$	8.18	
	kW	6000	0.0251	\$	150.60	kW	6000	0.0248	\$	148.96
	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				\$	205,540.18	Adjusted 2004 BILL		\$	205,538.54	\$ (1.64) 0.0%

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 DISTRIBUTION	n/a	n/a	\$	8.18	MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$	8.18
kW	15000	0.0251	\$	376.50	kW	15000	0.0248	\$	372.41
OTHER CHARGES kW	15000	4.7369	\$	71,053.50	OTHER CHARGES kW	15000	4.7369	\$	71,053.50
OTHER CHARGES kWh	#####	0.0132	\$	132,000.00	OTHER CHARGES kWh	10,000,000	0.0132	\$	132,000.00
COST OF POWER kWh	#####	0.0500	\$	500,000.00	COST OF POWER kWh	#####	0.0500	\$	500,000.00
CURRENT 2003 BILL			\$	703,438.18	Adjusted 2004 BILL		\$	703,434.09	\$ (4.09) 0.0%













Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments

(commodity price increase on April 1, 2004)

NAME OF UTILITY	Essex Powerlines Corp	LICENCE NUMBER	ED-1999-0066
NAME OF CONTACT	Richard Dimmel	PHONE NUMBER	519-776-8900
E- Mail Address	rdimmel@essexpower.ca		
VERSION NUMBER	Version 1		
Date	15-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						2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)					
ENTER DESIRED CONSUMPTION LEVEL				kWh	RATE	CHARGE				kWh	RATE	CHARGE	IMPACT	IMPACT	
100 kWh				(enter)	\$/kWh	\$					\$/kWh	\$	DOLLARS	%	
MONTHLY SERVICE CHARGE				n/a	n/a	\$	11.15			MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.15	
DISTRIBUTION kWh				100	0.0099	\$	0.99			DISTRIBUTION kWh	100	0.0106	\$	1.06	
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	0.0470	\$	4.70	
CURRENT 2003 BILL						\$	18.83		Adjusted 2004 BILL			\$	19.30	\$	0.47
															2.5%
MONTHLY CONSUMPTION OF 250 kWh				kWh	RATE	CHARGE				kWh	RATE	CHARGE	IMPACT	IMPACT	
				(enter)	\$/kWh	\$					\$/kWh	\$	DOLLARS	%	
MONTHLY SERVICE CHARGE				n/a	n/a	\$	11.15			MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.15	
DISTRIBUTION kWh				250	0.0099	\$	2.48			DISTRIBUTION kWh	250	0.0106	\$	2.65	
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	0.0470	\$	11.75	
CURRENT 2003 BILL						\$	30.35		Adjusted 2004 BILL			\$	31.53	\$	1.18
															3.9%
MONTHLY CONSUMPTION OF 500 kWh				kWh	RATE	CHARGE				kWh	RATE	CHARGE	IMPACT	IMPACT	
				(enter)	\$/kWh	\$					\$/kWh	\$	DOLLARS	%	
MONTHLY SERVICE CHARGE				n/a	n/a	\$	11.15			MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.15	
DISTRIBUTION kWh				500	0.0099	\$	4.95			DISTRIBUTION kWh	500	0.0106	\$	5.30	
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	0.0470	\$	23.50	
CURRENT 2003 BILL						\$	49.55		Adjusted 2004 BILL			\$	51.90	\$	2.35
															4.7%
MONTHLY CONSUMPTION OF 750 kWh				kWh	RATE	CHARGE				kWh	RATE	CHARGE	IMPACT	IMPACT	
				(enter)	\$/kWh	\$					\$/kWh	\$	DOLLARS	%	
MONTHLY SERVICE CHARGE				n/a	n/a	\$	11.15			MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.15	
DISTRIBUTION kWh				750	0.0099	\$	7.43			DISTRIBUTION kWh	750	0.0106	\$	7.95	
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	0.0470	\$	35.25	
CURRENT 2003 BILL						\$	68.75		Adjusted 2004 BILL			\$	72.28	\$	3.53
															5.1%
MONTHLY CONSUMPTION OF 1000 kWh				kWh	RATE	CHARGE				kWh	RATE	CHARGE	IMPACT	IMPACT	
				(enter)	\$/kWh	\$					\$/kWh	\$	DOLLARS	%	



MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.15
DISTRIBUTION kWh	1000	0.0099	\$	9.90	DISTRIBUTION kWh	1000	0.0106	\$	10.60
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	750	0.0470	\$	35.25
					COST OF POWER kWh	250	0.0550	\$	13.75
CURRENT 2003 BILL				\$ 87.95	Adjusted 2004 BILL				\$ 94.65 \$ 6.70 7.6%

MONTHLY CONSUMPTION OF 1500 kWh

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.15
DISTRIBUTION kWh	1500	0.0099	\$	14.85	DISTRIBUTION kWh	1500	0.0106	\$	15.90
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				\$ 126.35	Adjusted 2004 BILL				\$ 139.40 \$ 13.05 10.3%

MONTHLY CONSUMPTION OF 2000 kWh

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$	11.15
DISTRIBUTION kWh	2000	0.0099	\$	19.80	DISTRIBUTION kWh	2000	0.0106	\$	21.20
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				\$ 164.75	Adjusted 2004 BILL				\$ 184.15 \$ 19.40 11.8%

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.

MONTHLY CONSUMPTION OF 1000 kWh	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)				
	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 12.87		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 12.87	
DISTRIBUTION kWh	1000	0.0025	\$ 2.50		DISTRIBUTION kWh	1000	0.00389	\$ 3.89	
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				\$ 81.27	Adjusted 2004 BILL				\$ 88.66 \$ 7.39 9.1%
MONTHLY CONSUMPTION OF 2000 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 12.87		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 12.87	
DISTRIBUTION kWh	2000	0.0025	\$ 5.00		DISTRIBUTION kWh	2000	0.0039	\$ 7.78	
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				\$ 149.67	Adjusted 2004 BILL				\$ 170.45 \$ 20.78 13.9%

MONTHLY CONSUMPTION OF 5000 kWh										kWh	RATE	CHARGE	IMPACT	IMPACT						
					kWh (enter)	RATE \$/kWh	CHARGE \$				kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %					
MONTHLY SERVICE CHARGE					n/a	n/a	\$	12.87	MONTHLY SERVICE CHARGE					n/a	n/a	\$	12.87			
DISTRIBUTION kWh					5000	0.0025	\$	12.50	DISTRIBUTION kWh					5000	0.0039	\$	19.46			
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							\$	354.87	Adjusted 2004 BILL							\$	415.83	\$	60.96	17.2%

MONTHLY CONSUMPTION OF 10000 kWh										kWh	RATE	CHARGE	IMPACT	IMPACT						
					kWh (enter)	RATE \$/kWh	CHARGE \$				kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %					
MONTHLY SERVICE CHARGE					n/a	n/a	\$	12.87	MONTHLY SERVICE CHARGE					n/a	n/a	\$	12.87			
DISTRIBUTION kWh					10000	0.0025	\$	25.00	DISTRIBUTION kWh					10000	0.0039	\$	38.92			
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			
														9250	0.0550	\$	508.75			
CURRENT 2003 BILL							\$	696.87	Adjusted 2004 BILL							\$	824.79	\$	127.92	18.4%

MONTHLY CONSUMPTION OF 15000 kWh										
	kWh (enter)	RATE \$/kWh	CHARGE \$			kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$	12.87	MONTHLY SERVICE CHARGE	n/a	n/a	\$	12.87	
DISTRIBUTION kWh	15000	0.0025	\$	37.50	DISTRIBUTION kWh	15000	0.0039	\$	58.37	
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			\$	1,038.87	Adjusted 2004 BILL			\$	1,233.74	\$ 194.87 18.8%

# **2005 Rate Adjustment Model**

Name of Utility: Essex Powerlines Corporation

License Number: ED-2002-0499

File Number: RP-2005-0013

EB-2005-0026

Name of Contact: Richard Dimmel

E- Mail Address: [rdimmel@essexpower.ca](mailto:rdimmel@essexpower.ca)

Phone Number: 519-776-8900      Extension:      487

Date: March 1st, 2005 Revision

Version Number:      **2005.V1.1**

## SHEET 1 - 2002 Base Rate Schedule

Name of Utility:	Essex Powerlines Corporation	2005.V1.1
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005	Revision

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	\$0.0081
Monthly Service Charge (Per Customer)	\$9.13

### **RESIDENTIAL (TIME OF USE)**

Distribution kWh Rate	
Monthly Service Charge (Per Customer)	

### **GENERAL SERVICE < 50 KW**

Distribution kWh Rate	\$0.0021
Monthly Service Charge (Per Customer)	\$10.54

### **GENERAL SERVICE > 50 KW (NON TIME OF USE)**

Distribution KW Rate	\$1.3507
Monthly Service Charge (Per Customer)	\$285.48

### **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	\$2.8044
Monthly Service Charge (Per Customer)	\$3,292.66

LARGE USE-Scattered Load

Distribution KW Rate	\$0.0205
Monthly Service Charge (Per Customer)	\$6.69

SENTINEL LIGHTS (NON TIME OF USE)

Distribution KW Rate	\$2.5291
Monthly Service Charge (Per Connection)	\$0.60

OR

SENTINEL LIGHTS (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Connection)	

STREET LIGHTING (NON TIME OF USE)

Distribution KW Rate	\$1.8520
Monthly Service Charge (Per Connection)	\$0.32

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:	Essex Powerlines Corporation	2005.V1.1
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005 Revision	

Enter the final MARR installment calculated in the 2001 RUD Model\$699,904.13

Have you applied for approval of your C&DM plan?yes

Enter the amount applied for your C&DM plan\$699,904.13

Has the C&DM application been approved?no

Enter the final MARR installment (based on Board-Approved C&DM plan or applied-for amount)\$699,904.13

Grossed-up MARR based on 14 months recovery over 13 months.\$753,742.91

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		237,454,941	22,701	\$3,366,552	68.84%	\$518,897
General Service < 50 KW Class		85,466,613	1,833	\$313,817	6.42%	\$48,370
General Service > 50 KW Non-Time of Use	458,711		233	\$1,080,254	22.09%	\$166,503
General Service > 50 KW Time of Use					0.00%	\$0
Intermediate Use	10,936		1	\$53,473	1.09%	\$8,242
Unmetered Scattered Load		1,197,772	131	\$26,745	0.55%	\$4,122
Sentinel Lights	705		321	\$3,109	0.06%	\$479
Street Lighting	14,326		9,033	\$46,259	0.95%	\$7,130
TOTALS	484,678	324,119,326	34,253	\$4,890,209	100.00%	\$753,743
Grossed-up MARR Value =====>						\$753,743

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			\$518,897
(B) Fixed-Variable Split (%)	43.7%	56.3%	100%
(C) Re-Allocated MARR (\$)	\$226,758	\$292,139	\$518,897
(D) Number of kWh	237,454,941		
(E) Number of Customers		22,701	
(F) Incremental Distribution kWh Rate (\$/kWh)	\$0.0010		
(G) Incremental Monthly Service Charge (C)/(E)/12		\$1.0724	

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			\$48,370
(B) Fixed-Variable Split (%)	43.7%	56.3%	100%
(C) Re-Allocated MARR (\$)	\$21,138	\$27,232	\$48,370
(D) Number of kWh	85,466,613		
(E) Number of Customers		1,833	
(F) Incremental Distribution kWh Rate (\$/kWh)	\$0.0002		
(G) Incremental Monthly Service Charge (C)/(E)/12		\$1.2380	

General Service > 50 kW Class (Non-Time of Use)

	Variable Charge Recovery	Service Charge Recovery	Total Board- Approved MARR Recovery
(A) Allocated MARR			\$166,503
(B) Fixed-Variable Split (%)	43.7%	56.3%	100%
(C) Re-Allocated MARR (\$)	\$72,762	\$93,741	\$166,503
(D) Number of kW	458,711		
(E) Number of Customers		233	
(F) Incremental Distribution kWh Rate (\$/kW)	\$0.1586		
(G) Incremental Monthly Service Charge (C)/(E)/12		\$33.5269	

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 (%)	43.7%	56.3%	100%
(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			\$8,242
(B) Fixed-Variable Split (%)	43.7%	56.3%	100%
(C) Re-Allocated MARR (\$)	\$3,602	\$4,640	\$8,242
(D) Number of kW	10,936		
(E) Number of Customers		1	
(F) Incremental Distribution kW Rate (\$/kW)	\$0.3293		
(G) Incremental Monthly Service Charge (C)/(E)/12		\$386.6852	

SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

Unmetered Scattered Load

	Variable Charge Recovery	Service Charge Recovery	Total Board- Approved MARR Recovery
(A) Allocated MARR			\$4,122
(B) Fixed-Variable Split (%)	43.7%	56.3%	100%
(C) Re-Allocated MARR (\$)	\$1,801	\$2,321	\$4,122
(D) Number of kWh	1,197,772		
(E) Number of Customers		131	
(F) Incremental Distribution kW Rate (\$/kW)	\$0.0015		
(G) Incremental Monthly Service Charge (C)/(E)/12		\$1.4764	

Sentinel Lighting Class

	Variable Charge Recovery	Service Charge Recovery	Total Board- Approved MARR Recovery
(A) Allocated MARR			\$479
(B) Fixed-Variable Split (%)	43.7%	56.3%	100%
(C) Re-Allocated MARR (\$)	\$209	\$270	\$479
(D) Number of kW	705		
(E) Number of Customers		321	
(F) Incremental Distribution kW Rate (\$/kW)	\$0.2970		
(G) Incremental Monthly Service Charge (C)/(E)/12		\$0.0700	

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	Total Board- Approved MARR Recovery
(A) Allocated MARR			\$7,130
(B) Fixed-Variable Split (%)	43.7%	56.3%	100%
(C) Re-Allocated MARR (\$)	\$3,116	\$4,014	\$7,130
(D) Number of kW	14,326		
(E) Number of Customers		9,033	
(F) Incremental Distribution kW Rate (\$/kW)	\$0.2175		
(G) Incremental Monthly Service Charge (C)/(E)/12		\$0.0370	



## SHEET 3 - 2005 Base Rates (2002 Base Rates + Final MARR)

Name of Utility:	Essex Powerlines Corporation	2005.V1.1
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005 Revision	

### Residential Class

DISTRIBUTION KWH RATE	\$0.0091
MONTHLY SERVICE CHARGE (Per Customer)	\$10.20

### Residential Class (Time-of-Use)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

### General Service < 50 KW

DISTRIBUTION KWH RATE	\$0.0023
MONTHLY SERVICE CHARGE (Per Customer)	\$11.78

### General Service > 50 KW (Non-Time of Use)

DISTRIBUTION KW RATE	\$1.5093
MONTHLY SERVICE CHARGE (Per Customer)	\$319.01

### General Service > 50 KW (Time of Use)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

### Intermediate Use

DISTRIBUTION KW RATE	\$3.1338
MONTHLY SERVICE CHARGE (Per Customer)	\$3,679.34

**SHEET 3 - 2005 Base Rates (2002 Base Rates + Final MARR)**

**Unmetered Scattered Load**

DISTRIBUTION KWH RATE	\$0.0220
MONTHLY SERVICE CHARGE (Per Customer)	\$8.17

**Sentinel Lights (Non-Time of Use)**

DISTRIBUTION KW RATE	\$2.8261
MONTHLY SERVICE CHARGE (Per Connection)	\$0.67

OR

**Sentinel Lights (Time of Use)**

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

**Street Lighting (Non-Time of Use)**

DISTRIBUTION KW RATE	\$2.0695
MONTHLY SERVICE CHARGE (Per Connection)	\$0.36

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:	Essex Powerlines Corporation	2005.V1.1
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005 Revision	

This schedule requires LDCs to input the 2003 data which will be used to allocate 2005 PILs to the rate classes.  
The 2005 PILs Proxy is calculated in the 2005 PILs model, TAXCALC Worksheet, Cell C95

Enter the 2005 PILs Proxy Amount	\$ 1,271,204.29
----------------------------------	-----------------

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		271,568,454	24,600	\$5,575,990	71.9%	\$913,563
General Service < 50 KW Class	0	78,271,541	1,807	\$443,529	5.7%	\$72,667
General Service > 50 KW Non-Time of Use	504,739	211,131,025	191	\$1,506,019	19.4%	\$246,744
General Service > 50 KW Time of Use					0.0%	\$0
Intermediate Use	28,080	3,439,691	1	\$113,902	1.5%	\$18,662
Unmetered Scattered Load		1,542,148	135	\$44,445	0.6%	\$7,282
Sentinel Lights	1,173	422,219	399	\$6,761	0.1%	\$1,108
Street Lighting	16,589	5,743,966	7,149	\$68,229	0.9%	\$11,179
TOTALS		572,119,044	34,282	\$7,758,874	1.00	\$1,271,204
				2005 PILs Proxy Amount =====>		\$1,271,204

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			\$913,563
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$913,563	\$0	\$913,563
(D) Number of kWh	271,568,454		
(E) Incremental Distribution kWh Rate (\$/kWh)	\$0.0034		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			\$72,667
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$72,667	\$0	\$72,667
(D) Number of kWh	78,271,541		
(E) Incremental Distribution kWh Rate (\$/kWh)	\$0.0009		

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			\$246,744
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$246,744	\$0	\$246,744
(D) Number of kW	504,739		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.4889		

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			\$18,662
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$18,662	\$0	\$18,662
(D) Number of kW	28,080		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.6646		

Unmetered Scattered Load

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			\$7,282
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$7,282	\$0	\$7,282
(D) Number of kWh	1,542,148		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.0047		

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			\$1,108
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$1,108	\$0	\$1,108
(D) Number of kW	1,173		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.9445		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			\$11,179
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs (\$)	\$11,179	\$0	\$11,179
(D) Number of kW	16,589		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.6739		

## SHEET 5 - Rate Schedule including 2005 PILs

Name of Utility:	Essex Powerlines Corporation	2005.V1.1
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005	Revision

### **RESIDENTIAL**

DISTRIBUTION KWH RATE	\$0.0124
MONTHLY SERVICE CHARGE (Per Customer)	\$10.20

### **RESIDENTIAL (TIME OF USE)**

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

### **GENERAL SERVICE < 50 KW**

DISTRIBUTION KWH RATE	\$0.0033
MONTHLY SERVICE CHARGE (Per Customer)	\$11.78

### **GENERAL SERVICE > 50 KW (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$1.9982
MONTHLY SERVICE CHARGE (Per Customer)	\$319.01

### **GENERAL SERVICE > 50 KW (TIME OF USE)**

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

### **INTERMEDIATE USE**

DISTRIBUTION KW RATE	\$3.7984
MONTHLY SERVICE CHARGE (Per Customer)	\$3,679.34

## **SHEET 5 - Rate Schedule including 2005 PILs**

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### **Unmetered Scattered Load**

DISTRIBUTION KWH RATE	\$0.0267
MONTHLY SERVICE CHARGE (Per Customer)	\$8.17

### **SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$3.7706
MONTHLY SERVICE CHARGE (Per Connection)	\$0.67

OR

### **SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

### **STREET LIGHTING (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$2.7434
MONTHLY SERVICE CHARGE (Per Connection)	\$0.36

OR

### **STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

## SHEET 6 - December 31, 2003 Regulatory Assets

Name of Utility:	Essex Powerlines Corporation	2005.V1.1
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005	Revision

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	\$1,174,861
RSVA - One-time Wholesale Market Service	1582	\$38,324
RSVA - Retail Transmission Network Charge	1584	\$194,897
RSVA - Retail Transmission Connection Charge	1586	\$426,632
RSVA - Power	1588	-\$1,107,087
<b>Sub-Total for RSVA Accounts</b>		<b>\$727,626</b>
<b>Current Recovery: Amount Entered on Sheet 3, cell G13, of 2004 RAM</b>		<b>\$860,819</b>
<b>Adjusted 2005 Recovery Amount (RSVA Accounts)</b>		<b>-\$133,193</b>
Other Regulatory Assets	1508	\$34,962
Retail Cost Variance Account - Retail	1518	\$50,426
Retail Cost Variance Account - STR	1548	-\$356
Misc. Deferred Debits - incl. Rebate Cheques	1525	\$54,658
Deferred Payments in Lieu of Taxes	1562	-\$33,492
<i>PILs Contra Account</i>	1563	
Qualifing Transition Costs	1570	\$994,425
Pre-Market Opening Energy Variances Total	1571	\$693,082
Extra-Ordinary Event Losses	1572	\$192,803
Deferred Rate Impact Amounts	1574	
Other Deferred Credits	2425	
<b>Sub-Total for Non-RSVA Regulatory Asset Accounts</b>		<b>\$1,986,509</b>
<b>Current Recovery: Amount Entered on Sheet 5, cell G14, of 2004 RAM</b>		
<b>Adjusted 2005 Recovery Amount (Non-RSVA Accounts)</b>		<b>\$1,986,509</b>
<b>Total Adjusted Regulatory Assets</b>		<b>\$1,853,316</b>
<b>33% of Total Adjusted Regulatory Assets</b>		<b>\$617,772.07</b>



## 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	\$617,772
Total Adjusted Balance for RSVA Accounts	-\$133,193
Amount to be collected from RSVA Accounts	-\$133,193
Amount to be collected from Non-RSVA accounts	\$750,965

### 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:	Essex Powerlines Corporation	2005.V1.1
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005 Revision	

Approved Regulatory Asset Recovery from Sheet 4 (either from Section 1 or Section 2)	\$ (133,192.57)
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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 Distribution Shares	2003 RSVA Allocations
Residential Class	0	271,568,454	24,600	\$5,575,990	71.9%	-\$95,720
General Service < 50 KW Class	0	78,271,541	1,807	\$443,529	5.7%	-\$7,614
General Service > 50 KW Non-Time of Use	504,739	211,131,025	191	\$1,506,019	19.4%	-\$25,853
General Service > 50 KW Time of Use	0	0	0	\$0	0.0%	\$0
Intermediate Use	28,080	3,439,691	1	\$113,902	1.5%	-\$1,955
Unmetered Scattered Load	0	1,542,148	135	\$44,445	0.6%	-\$763
Sentinel Lights	1,173	422,219	399	\$6,761	0.1%	-\$116
Street Lighting	16,589	5,743,966	7,149	\$68,229	0.9%	-\$1,171
TOTALS		572,119,044	34,282	\$7,758,874.31	1.00	-\$133,193
				Allocated Total for RSVA accounts =====>		-\$133,193

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			-\$95,720
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	-\$95,720	\$0	-\$95,720
(D) Number of kWh	271,568,454		
(E) Incremental Distribution kWh Rate (\$/kWh)	-\$0.0004		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-\$7,614
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	-\$7,614	\$0	-\$7,614
(D) Number of kWh	78,271,541		
(E) Incremental Distribution kWh Rate (\$/kWh)	-\$0.0001		

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			-\$25,853
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	-\$25,853	\$0	-\$25,853
(D) Number of kW	504,739		
(E) Incremental Distribution kW Rate (\$/kW)	-\$0.0512		

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			-\$1,955
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	-\$1,955	\$0	-\$1,955
(D) Number of kW	28,080		
(E) Incremental Distribution kW Rate (\$/kW)	-\$0.0696		

Unmetered Scattered Load

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-\$763
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	-\$763	\$0	-\$763
(D) Number of kWh	1,542,148		
(E) Incremental Distribution kW Rate (\$/kW)	-\$0.0005		

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			-\$116
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	-\$116	\$0	-\$116
(D) Number of kW	1,173		
(E) Incremental Distribution kW Rate (\$/kW)	-\$0.0990		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-\$1,171
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	-\$1,171	\$0	-\$1,171
(D) Number of kW	16,589		
(E) Incremental Distribution kW Rate (\$/kW)	-\$0.0706		

SHEET 8 - Calculating Rate Increases due to interim Non-RSVA Regulatory Assets

Name of Utility:	Essex Powerlines Corporation	2005.V1.1
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005 Revision	

Approved Regulatory Asset Recovery from Non-RSVA Accounts (Sheet 4, Section 2)	\$750,964.64
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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 kWh Shares	2002 Regulatory Asset RSVA Allocations
Residential Class	0	271,568,454	24,600	\$5,575,990	47.5%	\$356,461
General Service < 50 KW Class	0	78,271,541	1,807	\$443,529	13.7%	\$102,739
General Service > 50 KW Non-Time of Use	504,739	211,131,025	191	\$1,506,019	36.9%	\$277,131
General Service > 50 KW Time of Use	0	0	0	\$0	0.0%	\$0
Intermediate Use	28,080	3,439,691	1	\$113,902	0.6%	\$4,515
Unmetered Scattered Load	0	1,542,148	135	\$44,445	0.3%	\$2,024
Sentinel Lights	1,173	422,219	399	\$6,761	0.1%	\$554
Street Lighting	16,589	5,743,966	7,149	\$68,229	1.0%	\$7,540
TOTALS		572,119,044	34,282	\$7,758,874	1.00	\$750,965
				Allocated Total for Non-RSVA accounts =====>		\$750,965

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			\$356,461
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	\$356,461	\$0	\$356,461
(D) Number of kWh	271,568,454		
(E) Incremental Distribution kWh Rate (\$/kWh)	\$0.0013		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			\$102,739
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	\$102,739	\$0	\$102,739
(D) Number of kWh	78,271,541		
(E) Incremental Distribution kWh Rate (\$/kWh)	\$0.0013		

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			\$277,131
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	\$277,131	\$0	\$277,131
(D) Number of kW	504,739		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.5491		

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			\$4,515
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	\$4,515	\$0	\$4,515
(D) Number of kW	28,080		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.1608		

Unmetered Scattered Load

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			\$2,024
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	\$2,024	\$0	\$2,024
(D) Number of kWh	1,542,148		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.0013		

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			\$554
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	\$554	\$0	\$554
(D) Number of kW	1,173		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.4725		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			\$7,540
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA (\$)	\$7,540	\$0	\$7,540
(D) Number of kW	16,589		
(E) Incremental Distribution kW Rate (\$/kW)	\$0.4545		

## **SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Assets**

<b>Name of Utility:</b>	<b>Essex Powerlines Corporation</b>	<b>2005.V1.1</b>
<b>License Number:</b>	<b>ED-2002-0499</b>	<b>RP-2005-0013</b>
<b>Name of Contact:</b>	<b>Richard Dimmel</b>	<b>EB-2005-0026</b>
<b>E- Mail Address:</b>	<b>rdimmel@essexpower.ca</b>	
<b>Phone Number:</b>	<b>519-776-8900</b>	<b>Extension: 487</b>
<b>Date:</b>	<b>March 1st, 2005 Revision</b>	

### **RESIDENTIAL**

DISTRIBUTION KWH RATE \$0.0134

MONTHLY SERVICE CHARGE (Per Customer) \$10.20

### **RESIDENTIAL (TIME OF USE)**

DISTRIBUTION KWH RATE

MONTHLY SERVICE CHARGE (Per Customer)

### **GENERAL SERVICE < 50 KW**

DISTRIBUTION KWH RATE \$0.0045

MONTHLY SERVICE CHARGE (Per Customer) \$11.78

### **GENERAL SERVICE > 50 KW (NON TIME OF USE)**

DISTRIBUTION KW RATE \$2.4960

MONTHLY SERVICE CHARGE (Per Customer) \$319.01

### **GENERAL SERVICE > 50 KW (TIME OF USE)**

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Customer)

### **INTERMEDIATE USE**

DISTRIBUTION KW RATE \$3.8895

MONTHLY SERVICE CHARGE (Per Customer) \$3,679.34



**SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Assets**

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**Unmetered Scattered Load**

DISTRIBUTION KWH RATE	\$0.0275
MONTHLY SERVICE CHARGE (Per Customer)	\$8.17

**SENTINEL LIGHTS (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$4.1442
MONTHLY SERVICE CHARGE (Per Connection)	\$0.67

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

**STREET LIGHTING (NON TIME OF USE)**

DISTRIBUTION KW RATE	\$3.1272
MONTHLY SERVICE CHARGE (Per Connection)	\$0.36

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

## SHEET 10 - Phase 2 Final Rate Riders

Name of Utility:	Essex Powerlines Corporation	2005.V1.1
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005 Revision	

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	

**Essex Powerlines Corporation**  
**RP-2005-0013 EB-2005-0026**  
**Schedule of Changed Distribution Rates and Charges**  
*Effective April 1, 2005 until April 30, 2006*

**LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.**

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$10.20
Distribution Volumetric Rate	(per kWh)	\$0.0134

**RESIDENTIAL (Time of Use)**

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kWh)	

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$11.78
Distribution Volumetric Rate	(per kWh)	\$0.0045

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$319.01
Distribution Volumetric Rate	(per kW)	\$2.4960

**GENERAL SERVICE > 50 KW (Time of Use) Interval**

Monthly Service Charge	(per month)	\$319.01
Distribution Volumetric Rate	(per kW)	\$2.4960

**INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$3,679.34
Distribution Volumetric Rate	(per kW)	\$3.8895

**Unmetered Scattered Load**

Monthly Service Charge	(per month)	\$8.17
Distribution Volumetric Rate	(per kWh)	\$0.0275

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per month)	\$0.67
Distribution Volumetric Rate	(per kW)	\$4.1442

**Essex Powerlines Corporation**  
**RP-2005-0013   EB-2005-0026**  
**Schedule of Changed Distribution Rates and Charges**  
*Effective April 1, 2005 until April 30, 2006*

**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)	\$0.36
Distribution Volumetric Rate	(per kW)	\$3.1272

**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:	Essex Powerlines Corporation	2005.V1.1
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005	Revision

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	\$0.0106
Monthly Service Charge (Per Customer)	\$11.15

### **RESIDENTIAL (TIME OF USE)**

Distribution kWh Rate	
Monthly Service Charge (Per Customer)	

### **GENERAL SERVICE < 50 KW**

Distribution kWh Rate	\$0.0039
Monthly Service Charge (Per Customer)	\$12.87

### **GENERAL SERVICE > 50 KW (NON TIME OF USE)**

Distribution KW Rate	\$2.0829
Monthly Service Charge (Per Customer)	\$348.64

### **GENERAL SERVICE > 50 KW (TIME OF USE)**

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

### **INTERMEDIATE USE**

Distribution KW Rate	\$3.2300
Monthly Service Charge (Per Customer)	\$4,021.10

## **SHEET 12 - Current Rates as of April 1, 2004**

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### **Unmetered Scattered Load**

Distribution KW Rate	\$0.0248
Monthly Service Charge (Per Customer)	\$8.18

### **SENTINEL LIGHTS (NON TIME OF USE)**

Distribution KW Rate	\$3.3588
Monthly Service Charge (Per Customer)	\$0.73

OR

### **SENTINEL LIGHTS (TIME OF USE)**

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

### **STREET LIGHTING (NON TIME OF USE)**

Distribution KW Rate	\$2.6677
Monthly Service Charge (Per Customer)	\$0.39

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:	Essex Powerlines Corporation	2005.V1.0
License Number:	ED-2002-0499	RP-2005-0013
Name of Contact:	Richard Dimmel	EB-2005-0026
E- Mail Address:	rdimmel@essexpower.ca	
Phone Number:	519-776-8900	Extension: 487
Date:	March 1st, 2005 Revision	

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.

		CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE \$/kWh	CHARGE (\$)		kWh	RATE \$/kWh	CHARGE (\$)	IMPACT (\$)	IMPACT (%)	
	100										
	Monthly Service Charge	N/A	N/A	\$ 11.15	Monthly Service Charge	N/A	N/A	\$ 10.20			
	Distribution (kWh)	100	\$ 0.0106	\$ 1.06	Distribution (kWh)	100	\$ 0.0134	\$ 1.34			
			Sub-Total	\$ 12.21			Sub Total	\$ 11.54	\$ (0.67)	-5.49%	
	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				\$ 19.30	Adjusted 2005 Bill			\$ 18.63	\$ (0.67)	-3.47%

ENTER DESIRED CONSUMPTION LEVEL (kWh)			kWh	RATE \$/kWh	CHARGE (\$)		kWh	RATE \$/kWh	CHARGE (\$)	IMPACT (\$)	IMPACT (%)
		250									
		Monthly Service Charge	N/A	N/A	\$ 11.15	Monthly Service Charge	N/A	N/A	\$ 10.20		
		Distribution (kWh)	250	\$0.0106	\$ 2.65	Distribution (kWh)	250	\$ 0.0134	\$ 3.34		
				Sub-Total	\$ 13.80			Sub Total	\$ 13.55	\$ (0.25)	-1.84%
		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				\$ 31.53	Adjusted 2005 Bill				\$ 31.27

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE \$/kWh	CHARGE (\$)		kWh	RATE \$/kWh	CHARGE (\$)	IMPACT (\$)	IMPACT (%)
500										
	Monthly Service Charge	N/A	N/A	\$ 11.15	Monthly Service Charge	N/A	N/A	\$ 10.20		
	Distribution (kWh)	500	\$0.0106	\$ 5.30	Distribution (kWh)	500	\$ 0.0134	\$ 6.69		
			Sub-Total	\$ 16.45			Sub Total	\$ 16.89	\$ 0.44	2.68%
	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				\$ 51.90	Adjusted 2005 Bill			\$ 52.34	\$ 0.44

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	\$ 11.15	Monthly Service Charge	N/A	N/A	\$ 10.20		
	Distribution (kWh)	750	\$0.0106	\$ 7.95	Distribution (kWh)	750	0.0134	\$ 10.03		
			Sub-Total	\$ 19.10			Sub Total	\$ 20.24	\$ 1.13	5.94%
	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			\$ 72.28	Adjusted 2005 Bill			\$ 73.41	\$ 1.13	1.57%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE \$/kWh	CHARGE (\$)		kWh	RATE \$/kWh	CHARGE (\$)	IMPACT (\$)	IMPACT (%)
1,000										
	Monthly Service Charge	N/A	N/A	\$ 11.15		Monthly Service Charge	N/A	\$ 10.20		
	Distribution (kWh)	1000	\$0.0106	\$ 10.60		Distribution (kWh)	1000	0.0134 \$ 13.38		
	Sub-Total			\$ 21.75		Sub Total			\$ 1.83	8.41%
	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			\$ 94.65		Adjusted 2005 Bill			\$ 1.83	1.93%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE \$/kWh	CHARGE (\$)		kWh	RATE \$/kWh	CHARGE (\$)	IMPACT (\$)	IMPACT (%)
1,500										
	Monthly Service Charge	N/A	N/A	\$ 11.15		Monthly Service Charge	N/A	\$ 10.20		
	Distribution (kWh)	1500	\$0.0106	\$ 15.90		Distribution (kWh)	1500	0.0134 \$ 20.07		
	Sub-Total			\$ 27.05		Sub Total			\$ 3.22	11.89%
	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			\$ 139.40		Adjusted 2005 Bill			\$ 3.22	2.31%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE \$/kWh	CHARGE (\$)		kWh	RATE \$/kWh	CHARGE (\$)	IMPACT (\$)	IMPACT (%)
2,000										
	Monthly Service Charge	N/A	N/A	\$ 11.15		Monthly Service Charge	N/A	\$ 10.20		
	Distribution (kWh)	2000	\$0.0106	\$ 21.20		Distribution (kWh)	2000	0.0134 \$ 26.76		
	Sub-Total			\$ 32.35		Sub Total			\$ 4.61	14.24%
	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			\$ 184.15		Adjusted 2005 Bill			\$ 4.61	2.50%



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.

		CURRENT 2004 BILL				FUTURE 2005 BILL						
ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE \$/kWh	CHARGE (\$)			kWh	RATE \$/kWh	CHARGE (\$)		IMPACT (\$)	IMPACT (%)
	1,000											
		Monthly Service Charge	N/A	N/A	\$ 12.87		Monthly Service Charge	N/A	N/A	\$ 11.78		
		Distribution (kWh)	1000	\$ 0.0039	\$ 3.89		Distribution (kWh)	1000	\$ 0.0045	\$ 4.49		
				Sub-Total	\$ 16.76				Sub Total	\$ 16.27	\$ (0.49)	-2.94%
		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				\$ 86.66		Adjusted 2005 Bill			\$ 86.17	\$ (0.49)	-0.57%

ENTER DESIRED CONSUMPTION LEVEL (kWh) 2,000		kWh	RATE \$/kWh	CHARGE (\$)		kWh	RATE \$/kWh	CHARGE (\$)	IMPACT (\$)	IMPACT (%)
	Monthly Service Charge	N/A	N/A	\$ 12.87	Monthly Service Charge	N/A	N/A	\$ 11.78		
	Distribution (kWh)	2000	\$0.0039	\$ 7.78	Distribution (kWh)	2000	\$0.0045	\$ 8.98		
				Sub-Total \$ 20.65				Sub Total \$ 20.76	\$ 0.11	0.52%
	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			\$ 170.45	Adjusted 2005 Bill			\$ 170.56	\$ 0.11	0.06%

ENTER DESIRED CONSUMPTION LEVEL (kWh) 5,000		kWh	RATE \$/kWh	CHARGE (\$)		kWh	RATE \$/kWh	CHARGE (\$)	IMPACT (\$)	IMPACT (%)
	Monthly Service Charge	N/A	N/A	\$ 12.87	Monthly Service Charge	N/A	N/A	\$ 11.78		
	Distribution (kWh)	5000	\$0.0039	\$ 19.46	Distribution (kWh)	5000	\$0.0045	\$ 22.46		
				Sub-Total \$ 32.33				Sub Total \$ 34.23	\$ 1.91	5.89%
	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			\$ 415.83	Adjusted 2005 Bill			\$ 417.73	\$ 1.91	0.46%

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	\$ 12.87	Monthly Service Charge	N/A	N/A	\$ 11.78		
	Distribution (kWh)	10000	\$0.0039	\$ 38.92	Distribution (kWh)	10000	\$0.0045	\$ 44.91		
				Sub-Total	\$ 51.79				Sub Total	\$ 56.69
	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			\$ 824.79	Adjusted 2005 Bill			\$ 829.69	\$ 4.90	0.59%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE \$/kWh	CHARGE (\$)		kWh	RATE \$/kWh	CHARGE (\$)	IMPACT (\$)	IMPACT (%)
	15,000									
	Monthly Service Charge	N/A	N/A	\$ 12.87	Monthly Service Charge	N/A	N/A	\$ 11.78		
	Distribution (kWh)	15000	\$0.0039	\$ 58.37	Distribution (kWh)	15000	\$0.0045	\$ 67.37		
				Sub-Total	\$ 71.24				Sub Total	\$ 79.14
	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			\$ 1,233.74	Adjusted 2005 Bill			\$ 1,241.64	\$ 7.90	0.64%

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			kW/ kWh	RATE \$/kW or \$/kWh	CHARGE (\$)		kW/ kWh	RATE \$/kW or \$/kWh	CHARGE (\$)	IMPACT (\$)	IMPACT (%)	
		60	Monthly Service Charge	N/A	N/A	\$ 348.64	Monthly Service Charge	N/A	N/A	\$ 319.01		
		kWh	Distribution (kW)	60	\$2.0829	\$ 124.97	Distribution (kW)	60	\$2.4960	\$ 149.76		
		15,000	Sub-Total			\$ 473.61	Sub Total			\$ 468.77	\$ (4.85)	-1.02%
			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)	750		\$0.0550	\$ 41.25	Cost of Power (kWh)	750	\$0.0550	\$ 41.25				
Current 2004 Bill			\$ 947.46	Adjusted 2005 Bill			\$ 942.62	\$ (4.85)	-0.51%			

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	\$ 348.64		Monthly Service Charge	N/A	\$ 319.01		
	kWh	Distribution (kW)	100	\$2.0829	\$ 208.29	Distribution (kW)	100	\$2.4960	\$ 249.60	
	40,000	Sub-Total		\$ 556.93		Sub Total		\$ 568.61	\$ 11.68	2.10%
		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		\$ 3,675.93		Adjusted 2005 Bill		\$ 3,687.61	\$ 11.68	0.32%

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	\$ 348.64		Monthly Service Charge	N/A	\$ 319.01		
	kWh	Distribution (kW)	500	\$2.0829	\$ 1,041.45	Distribution (kW)	500	\$2.4960	\$ 1,248.01	
	100,000	Sub-Total		\$ 1,390.09		Sub Total		\$ 1,567.01	\$ 176.93	12.73%
		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		\$ 10,165.09		Adjusted 2005 Bill		\$ 10,342.01	\$ 176.93	1.74%

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	\$ 348.64		Monthly Service Charge	N/A	\$ 319.01		
	kWh	Distribution (kW)	1,000	\$2.0829	\$ 2,082.90	Distribution (kW)	1000	2.4960	\$ 2,496.01	
	400,000	Sub-Total		\$ 2,431.54		Sub Total		\$ 2,815.02	\$ 383.49	15.77%
		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		\$ 33,621.54		Adjusted 2005 Bill		\$ 34,005.02	\$ 383.49	1.14%

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											
3,000		Monthly Service Charge	N/A	N/A	\$ 348.64		Monthly Service Charge	N/A	N/A	\$ 319.01	
kWh		Distribution (kW)	3,000	\$2.0829	\$ 6,248.69		Distribution (kW)	3000	2.4960	\$ 7,488.04	
1,000,000				Sub-Total	\$ 6,597.33			Sub Total	\$ 7,807.05	\$ 1,209.73	18.34%
		Other Charges (kW)	3,000	3.9100	\$ 11,730.00		Other Charges (kW)	3,000.00	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 2004 Bill			\$ 86,527.33		Adjusted 2005 Bill			\$ 87,737.05	\$ 1,209.73 1.40%

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	\$ 4,021.10		Monthly Service Charge	N/A	N/A	\$ 3,679.34	
kWh		Distribution (kW)	3,000	\$3.2300	\$ 9,689.94		Distribution (kW)	3000	\$3.89	\$ 11,668.61	
800,000				Sub-Total	\$ 13,711.04			Sub Total	\$ 15,347.96	\$ 1,636.91	11.94%
		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			\$ 80,912.44		Adjusted 2005 Bill			\$ 82,549.36	\$ 1,636.91 2.023%

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	\$ 4,021.10		Monthly Service Charge	N/A	N/A	\$ 3,679.34	
kWh		Distribution (kW)	3,000	\$3.2300	\$ 9,689.94		Distribution (kW)	3000	\$3.89	\$ 11,668.61	
1,000,000				Sub-Total	\$ 13,711.04			Sub Total	\$ 15,347.96	\$ 1,636.91	11.94%
		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			\$ 94,552.44		Adjusted 2005 Bill			\$ 96,189.36	\$ 1,636.91 1.731%

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	\$ 4,021.10		Monthly Service Charge	N/A	N/A	\$ 3,679.34	
kWh		Distribution (kW)	4,000	\$3.2300	\$ 12,919.93		Distribution (kW)	4000	\$3.89	\$ 15,558.15	
1,200,000				Sub-Total	\$ 16,941.03			Sub Total	\$ 19,237.49	\$ 2,296.47	13.56%
		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			\$ 115,636.23		Adjusted 2005 Bill			\$ 117,932.69	\$ 2,296.47 1.99%

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	\$ 4,021.10	Monthly Service Charge	N/A	N/A	\$ 3,679.34		
	kWh	Distribution (kW)	4,000	\$3.2300	\$ 12,919.93	Distribution (kW)	4000	\$3.8895	\$ 15,558.15		
	1,800,000			Sub-Total	\$ 16,941.03			Sub Total	\$ 19,237.49	\$ 2,296.47	13.56%
		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				\$ 156,556.23	Adjusted 2005 Bill					

Essex Powerlines Corporation

EB-2011-0166

Filed: October 28, 2012

Exhibit 3

Tab2

Schedule 1

Appendix4

## Appendix 4 of 6

### Notices of Assessment



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

Account No.  
**1800084**

**35**  
PX5003

ESSEX POWERLINES CORPORATION  
RICHARD DIMMEL  
360 FAIRVIEW AVE W  
SUITE 218  
ESSEX  
N8W 3G4

ON

# Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

--	--	--	--	--	--	--	--	--	--

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

Taxation Year End: (YYYYMMDD)

2	0	0	1	1	2	3	1
---	---	---	---	---	---	---	---

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

Total Payment  
Enclosed: \$

--	--	--	--	--	--	--	--	--	--



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

Keep this portion for your records.

## Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990  
from 2001/10/01 to 2001/12/31

ESSEX POWERLINES CORPORATION

ASSESSMENT NO. 11

Account No.	Assessment Date (year, month, day)	Page
1800084	2002/10/04	1 of 1

Tax: Federal and Provincial PIL  
Assessment Interest

Total Assessment Liability

36,739.00 ✓  
342.13CR  
36,396.87

### SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

38,500.00CR

Sub-Total

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

38,500.00CR  
2,103.13CR

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
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197



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

Account No.  
**1800084**

**35**  
PX5003

**ESSEX POWERLINES CORPORATION**  
**RICHARD DIMMEL, GM**  
**218 - 360 FAIRVIEW AVE W**

**ESSEX**  
**N8M 3G4**

**ON**

# Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

--	--	--	--	--	--	--	--	--	--

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

Taxation Year End: (YYYYMMDD)

2	0	0	3	1	2	3	1
---	---	---	---	---	---	---	---

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

**Total Payment Enclosed:**

--	--	--	--	--	--	--	--	--	--



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

Keep this portion for your records.

## Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990  
from 2003/01/01 to 2003/12/31

**ESSEX POWERLINES CORPORATION**

**ASSESSMENT NO. 42**

Account No.

**1800084**

Assessment Date  
(year, month, day)

**2004/04/15**

Page

1 of 1

Tax: Federal and Provincial PIL  
Assessment Interest

Total Assessment Liability

557,447.00  
1,997.30CR  
555,449.70

### SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

Sub-Total

557,560.00CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

557,560.00CR  
2,110.30CR

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





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

Account No.  
**1800084**

**35**  
PX5003

**ESSEX POWERLINES CORPORATION**  
**RICHARD DIMMEL, GM**  
**218 - 360 FAIRVIEW AVE W**

**ESSEX**  
**N8M 3G4**

**ON**

# Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

--	--	--	--	--	--	--	--	--	--

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

Taxation Year End: (YYYYMMDD)

2	0	0	4	1	2	3	1
---	---	---	---	---	---	---	---

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

**Total Payment Enclosed:**

--	--	--	--	--	--	--	--	--	--



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

Keep this portion for your records.

## Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990  
from 2004/01/01 to 2004/12/31

**ESSEX POWERLINES CORPORATION**

**ASSESSMENT NO. 60**

Account No.	Assessment Date (year, month, day)	Page
<b>1800084</b>	<b>2005/06/16</b>	<b>1 of 1</b>

Tax: Federal and Provincial PIL  
Assessment Interest

**301,266.00**  
**1,308.80CR**  
**299,957.20**

**Total Assessment Liability**

### SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

**308,500.00CR**

Sub-Total

**308,500.00CR**  
**8,542.80CR**

**CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR**

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

#### 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



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

Account No.  
**1800084**

**35**  
PX5003

**ESSEX POWERLINES CORPORATION**  
**RICHARD DIMMEL, GM**  
**218 - 360 FAIRVIEW AVE W**

**ESSEX**  
**N8M 3G4**

**ON**

**Remittance Advice - Payment-in-Lieu (PIL)***Electricity Act, 1998**Corporations Tax Act, R.S.O. 1990*

Taxation Year End: (YYYYMMDD)

--	--	--	--	--	--	--	--	--	--

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

Taxation Year End: (YYYYMMDD)

2	0	0	5	1	2	3	1
---	---	---	---	---	---	---	---

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

**Total Payment**  
**Enclosed:**

--	--	--	--	--	--	--	--	--	--



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

Keep this portion for your records.

**Notice of Assessment**

*Electricity Act, 1998 - Corporations Tax Act, R.S.O. 1990*  
from 2005/01/01 to 2005/12/31

**ESSEX POWERLINES CORPORATION**

Account No.

**1800084**Assessment Date  
(year, month, day)**2006/05/03**

Page

**1 of 1**

**ASSESSMENT NO. 74**

Tax: Federal and Provincial PIL

**383,063.00**

Assessment Interest

**1,940.07**

Total Assessment Liability

**385,003.07****SUMMARY OF 2005/12/31 TAXATION YEAR TRANSACTIONS**

Payments/Transfers

**432,000.00CR**

Sub-Total

**432,000.00CR**

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

**46,996.93CR**

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

Essex Powerlines Corporation

EB-2011-0166

Filed: October 28, 2012

Exhibit 3

Tab2

Schedule 1

Appendix5

## Appendix 5 of 6

### Tax Returns

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 001 ]      87006 6529 RC 0001

[ 060 ]      2001 10 01

[ 061 ]      2001 12 31

[ 099 ]      TP04

XXXXXXXXXXXX

[ 002 ]      ESSEX POWERLINES CORPORATION

[ 003 ]      2

[ 004 ]      \_\_\_\_\_

XXXXXXXXXXXX

[ 010 ]@      2

[ 011 ]      \_\_\_\_\_

[ 012 ]      \_\_\_\_\_

[ 015 ]      \_\_\_\_\_

[ 016 ]      \_\_\_\_\_

[ 017 ]      \_\_\_\_\_

[ 018 ]      \_\_\_\_\_

[ 020 ]@      1

[ 021 ]      \_\_\_\_\_

[ 022 ]      360 FAIRVIEW AVENUE WEST

[ 023 ]      \_\_\_\_\_

[ 025 ]      ESSEX

[ 026 ]      ON

[ 027 ]      \_\_\_\_\_

[ 028 ]      N8M 1Y1

For agency use	
[ 055 ]	

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For agency use	
[ 091 ]	
[ 092 ]	
[ 093 ]	

For agency use	
[ 094 ]	
[ 095 ]	
[ 096 ]	
[ 097 ]	

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001 Taxation Year End: 2001-12-31

[ 031 ] @ 360 FAIRVIEW AVENUE WEST

[ 032 ]

[ 035 ] ESSEX

[ 036 ] ON

[ 037 ]

[ 038 ] N8M 1Y1

XXXXXXXXXXXX

[ 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: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 801 ] \_\_\_\_\_  
[ 815 ] \_\_\_\_\_  
[ 894 ] \_\_\_\_\_  
[ 896 ] 2  
[ 898 ] 12 182  
[ 910 ] \_\_\_\_\_  
[ 914 ] \_\_\_\_\_  
[ 918 ] \_\_\_\_\_  
[ 990 ] 1

XXXXXXXXXXXX

[ 280 ] 2  
[ 281 ] 2  
[ 282 ] \_\_\_\_\_  
[ 283 ] 2  
[ 284 ] LDC - BILL & COLLECT  
[ 286 ] \_\_\_\_\_  
[ 288 ] \_\_\_\_\_  
[ 285 ] 100  
[ 287 ] \_\_\_\_\_  
[ 289 ] \_\_\_\_\_  
[ 950 ] DIMMEL  
[ 951 ] RICHARD  
[ 954 ] VP of Finance  
[ 955 ] 2002 06 15  
[ 956 ] 519 776 8900  
[ 957 ] 1  
[ 958 ] \_\_\_\_\_  
[ 959 ] \_\_\_\_\_

XXXXXXXXXXXX

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 300 ]	# 405 536	[ 440 ]		[ 652 ]	
[ 311 ]		[ 445 ]		[ 700 ]	
[ 312 ]		[ 450 ]			XXXXXXXXXXXX
[ 313 ]		[ 600 ]			
[ 314 ]		[ 632 ]		[ 704 ]	12 182
[ 320 ]		[ 636 ]		[ 708 ]	
[ 325 ]		[ 780 ]		[ 716 ]	
[ 331 ]			XXXXXXXXXXXX	[ 720 ]	
[ 332 ]				[ 724 ]	
[ 333 ]		[ 460 ]		[ 728 ]	
[ 334 ]		[ 465 ]		[ 760 ]	
[ 335 ]		[ 480 ]		[ 765 ]	
[ 340 ]		[ 485 ]		[ 770 ]	12 182
[ 350 ]		[ 712 ]			XXXXXXXXXXXX
[ 355 ]			XXXXXXXXXXXX		
[ 360 ]				[ 784 ]	
	XXXXXXXXXXXX	[ 550 ]		[ 788 ]	
		[ 602 ]		[ 792 ]	
[ 400 ]		[ 604 ]		[ 796 ]	
[ 405 ]		[ 608 ]		[ 797 ]	
[ 410 ]	50 411	[ 616 ]		[ 800 ]	
[ 425 ]		[ 620 ]		[ 804 ]	
[ 430 ]		[ 628 ]		[ 808 ]	
	XXXXXXXXXXXX	[ 637 ]		[ 812 ]	
		[ 638 ]		[ 816 ]	
[ 415 ]	52 940	[ 639 ]		[ 840 ]	
	XXXXXXXXXXXX	[ 640 ]		[ 890 ]	
		[ 644 ]			XXXXXXXXXXXX
		[ 648 ]			

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001 Taxation Year End: 2001-12-31

[ 995 ]

## Certification

I, RICHARD DIMMEL 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] - 405 536

Part I tax payable [line 200700]

Part I.3 tax payable [line 200704] 12 182

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.

2002-06-15

X

VP of Finance

Date

Signature of an authorized signing officer of the corporation

Position, office or rank



Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 600 ] \_\_\_\_\_  
[ 601 ] \_\_\_\_\_  
[ 602 ] \_\_\_\_\_  
[ 603 ] \_\_\_\_\_  
[ 604 ] \_\_\_\_\_  
[ 700 ] \_\_\_\_\_  
[ 701 ] \_\_\_\_\_  
[ 702 ] \_\_\_\_\_  
[ 703 ] \_\_\_\_\_  
[ 704 ] \_\_\_\_\_

**XXXXXXXXXXXX**

[ 101 ]	38 500	[ 118 ]	_____	[ 204 ]	_____
[ 102 ]	_____	[ 119 ]	_____	[ 205 ]	_____
[ 103 ]	_____	[ 120 ]	_____	[ 206 ]	_____
[ 104 ]	231 100	[ 121 ]	_____	[ 207 ]	_____
[ 105 ]	_____	[ 122 ]	_____	[ 208 ]	_____
[ 106 ]	_____	[ 123 ]	_____	[ 209 ]	_____
[ 107 ]	_____	[ 124 ]	_____	[ 210 ]	_____
[ 108 ]	_____	[ 125 ]	_____	[ 211 ]	_____
[ 109 ]	_____	[ 126 ]	_____	[ 212 ]	_____
[ 110 ]	_____	[ 127 ]	_____	[ 213 ]	_____
[ 111 ]	_____	[ 199 ]	_____	[ 214 ]	_____
[ 112 ]	_____	[ 500 ]	269 600	[ 215 ]	_____
[ 113 ]	_____		<b>XXXXXXXXXXXX</b>	[ 216 ]	_____
[ 114 ]	_____			[ 217 ]	_____
[ 115 ]	_____	[ 201 ]	_____	[ 218 ]	_____
[ 116 ]	_____	[ 202 ]	_____	[ 219 ]	_____
[ 117 ]	_____	[ 203 ]	_____	[ 220 ]	_____

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 221 ]		[ 300 ]		[ 401 ]	
[ 222 ]		[ 301 ]		[ 402 ]	
[ 223 ]		[ 302 ]		[ 403 ]	283 610
[ 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 ]	
[ 234 ]		[ 313 ]		[ 416 ]	
[ 235 ]		[ 314 ]		[ 417 ]	
[ 236 ]		[ 315 ]		[ 499 ]	
[ 237 ]		[ 316 ]		[ 510 ]	283 610
[ 238 ]		[ 340 ]			XXXXXXXXXXXX
[ 290 ]		[ 341 ]			
[ 291 ]		[ 342 ]			
[ 292 ]		[ 343 ]			
[ 293 ]		[ 344 ]			
[ 294 ]		[ 345 ]			
	XXXXXXXXXXXX	[ 346 ]			
		[ 390 ]			
		[ 391 ]			
		[ 392 ]			
		[ 393 ]			
		[ 394 ]			
			XXXXXXXXXXXX		

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001 Taxation Year End: 2001-12-31

[ 100 ]	_____	[ 200 ]	_____	[ 402 ]	_____
[ 190 ]	_____	[ 205 ]	_____	[ 405 ]	_____
[ 300 ]	_____	[ 210 ]	_____	[ 410 ]	_____
[ 400 ]	_____	[ 220 ]	_____	[ 430 ]	_____
[ 485 ]	_____	[ 225 ]	_____	[ 440 ]	_____
[ 500 ]	_____	[ 240 ]	_____	[ 450 ]	_____
	XXXXXXXXXXXX	[ 250 ]	_____	[ 480 ]	_____
		[ 280 ]	_____	[ 941 ]	_____
[ 102 ]	_____	[ 951 ]	_____	[ 942 ]	_____
[ 105 ]	_____	[ 952 ]	_____	[ 943 ]	_____
[ 110 ]	405 536	[ 953 ]	_____		XXXXXXXXXXXX
[ 130 ]	_____		XXXXXXXXXXXX		
[ 135 ]	_____			[ 502 ]	_____
[ 140 ]	_____	[ 302 ]	_____	[ 510 ]	_____
[ 150 ]	_____	[ 305 ]	_____	[ 530 ]	_____
[ 180 ]	405 536	[ 310 ]	_____	[ 550 ]	_____
[ 901 ]	_____	[ 330 ]	_____	[ 580 ]	_____
[ 902 ]	_____	[ 335 ]	_____	[ 961 ]	_____
[ 903 ]	_____	[ 340 ]	_____	[ 962 ]	_____
[ 911 ]	_____	[ 350 ]	_____	[ 963 ]	_____
[ 912 ]	_____	[ 380 ]	_____		XXXXXXXXXXXX
[ 913 ]	_____	[ 921 ]	_____		
	XXXXXXXXXXXX	[ 922 ]	_____		
		[ 923 ]	_____		
		[ 931 ]	_____		
		[ 932 ]	_____		
		[ 933 ]	_____		
			XXXXXXXXXXXX		

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 602 ] 1. \_\_\_\_\_ \*

[ 632 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXX

[ 600 ] 1. \_\_\_\_\_ \*

[ 630 ] 1. \_\_\_\_\_ \*

[ 660 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXX

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 604 ] 1. \_\_\_\_\_ \*

[ 606 ] 1. \_\_\_\_\_ \*

[ 608 ] 1. \_\_\_\_\_ \*

[ 620 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXX

[ 634 ] 1. \_\_\_\_\_ \*

[ 636 ] 1. \_\_\_\_\_ \*

[ 638 ] 1. \_\_\_\_\_ \*

[ 650 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXX

[ 662 ] 1. \_\_\_\_\_ \*

[ 664 ] 1. \_\_\_\_\_ \*

[ 670 ] 1. \_\_\_\_\_ \*

[ 675 ] 1. \_\_\_\_\_ \*

[ 680 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXX

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 101 ]      2

[ 217 ]    1. 282 096

2. 1 514 \*

[ 200 ]    1. 1

2. 10 \*

[ 220 ]    1. 28 422 193

2. 18 504 \*

[ 211 ]    1. 724 614

2. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 212 ]    1. 4

2. 30 \*

XXXXXXXXXXXXX

[ 201 ]    1. 27 255 061

2. 20 018 \*

[ 203 ]    1. 1 449 228

2. \_\_\_\_\_ \*

[ 205 ]    1. \_\_\_\_\_

2. \_\_\_\_\_ \*

[ 207 ]    1. \_\_\_\_\_

2. \_\_\_\_\_ \*

[ 213 ]    1. \_\_\_\_\_

2. \_\_\_\_\_ \*

[ 215 ]    1. \_\_\_\_\_

2. \_\_\_\_\_ \*

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

- [ 300 ]    1. 87007 1123 RC 0001  
          2. 86612 1635 RC 0001  
          3. 86953 5435 RC 0001    \*

- [ 400 ]    1. 3  
          2. 3  
          3. 1    \*

XXXXXXXXXXXX

- [ 100 ]    1. ESSEX ENERGY CORPORATION  
          2. ESSEX POWER SERVICES CORP  
          3. ESSEX POWER CORPORATION    \*

- [ 200 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_  
          3. \_\_\_\_\_    \*

- [ 500 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_  
          3. \_\_\_\_\_    \*

- [ 550 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_  
          3. \_\_\_\_\_    \*

- [ 600 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_  
          3. \_\_\_\_\_    \*

- [ 650 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

3. \_\_\_\_\_ \*

[ 700 ] 1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_ \*

XXXXXXXXXXXX



Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 025 ] \_\_\_\_\_

[ 050 ]      2001

[ 075 ]      2

- [ 200 ]    1. 87006 6529 RC 0001  
          2. 87007 1123 RC 0001  
          3. 86612 1635 RC 0001  
          4. 86953 5435 RC 0001    \*

- [ 300 ]    1. 1  
          2. 3  
          3. 3  
          4. 3    \*

- [ 500 ]    1. 2001 12 31  
          2. 2001 12 31  
          3. 2001 12 31  
          4. 2001 12 31    \*

XXXXXXXXXXXX

- [ 400 ]    1. 200 000  
          2. \_\_\_\_\_  
          3. \_\_\_\_\_  
          4. \_\_\_\_\_    \*

XXXXXXXXXXXX

- [ 100 ]    1. ESSEX POWERLINES CORPORATION  
          2. ESSEX ENERGY CORPORATION  
          3. ESSEX POWER SERVICES CORP  
          4. ESSEX POWER CORPORATION    \*

XXXXXXXXXXXX

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 100 ]		[ 401 ]		[ 820 ]	12 182
[ 610 ]	1 000	[ 402 ]		[ 861 ]	
[ 830 ]		[ 403 ]		[ 862 ]	
[ 850 ]		[ 404 ]		[ 870 ]	12 182
	XXXXXXXXXXXX	[ 405 ]			XXXXXXXXXXXX
		[ 406 ]			
[ 101 ]		[ 407 ]			
[ 103 ]	5	[ 490 ]			
[ 104 ]			XXXXXXXXXXXX		
[ 105 ]					
[ 106 ]		[ 500 ]	31 479 475		
[ 107 ]			XXXXXXXXXXXX		
[ 108 ]	26 397 389				
[ 109 ]	5 500 000	[ 701 ]			
[ 110 ]		[ 711 ]			
[ 111 ]		[ 712 ]			
[ 112 ]		[ 713 ]			
[ 121 ]		[ 790 ]			
[ 122 ]	417 919		XXXXXXXXXXXX		
[ 123 ]					
[ 124 ]		[ 690 ]	31 479 475		
[ 190 ]	31 479 475	[ 801 ]	10 000 000		
	XXXXXXXXXXXX	[ 811 ]	21 479 475		
			XXXXXXXXXXXX		

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 010 ] \_\_\_\_\_

[ 020 ]      2

[ 030 ]      2 001

[ 300 ]    1. 87006 6529 RC 0001

2. 87007 1123 RC 0001

3. 86612 1635 RC 0001

4. 86953 5435 RC 0001    \*

[ 500 ]    1. 2001 12 31

2. 2001 12 31

3. 2001 12 31

4. 2001 12 31    \*

XXXXXXXXXXXXX

[ 400 ]    1. 10 000 000

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_    \*

XXXXXXXXXXXXX

[ 200 ]    1. ESSEX POWERLINES CORPORATION

2. ESSEX ENERGY CORPORATION

3. ESSEX POWER SERVICES CORP

4. ESSEX POWER CORPORATION    \*

XXXXXXXXXXXXX

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 100 ]   1. ESSEX POWER CORPORATION   \*

[ 200 ]   1. 86953 5435 RC 0001   \*

[ 300 ]   1. \_\_\_\_\_   \*

[ 400 ]   1. 100   \*

[ 500 ]   1. \_\_\_\_\_   \*

**XXXXXXXXXXXX**

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 3640 ]	36 695 175	[ 3450 ]	8 347 563
	XXXXXXXXXXXXX	[ 3499 ]	37 113 089
			XXXXXXXXXXXXX
[ 1000 ]			
[ 1002 ]	4 580 515	[ 3500 ]	5
[ 1060 ]	484 992	[ 3600 ]	# 417 919
[ 1062 ]	3 880 210	[ 3620 ]	# 417 914
[ 1120 ]	560 369		XXXXXXXXXXXXX
[ 1480 ]	3 207 088		
[ 1484 ]	84 028	[ 3660 ]	# 26 393
[ 1599 ]	12 797 202	[ 3680 ]	# 391 526
[ 1600 ]	50 907	[ 3849 ]	# 417 919
[ 1740 ]	24 704 517		XXXXXXXXXXXXX
[ 1741 ]	# 1 842 586		
[ 1774 ]	20 000		
[ 1775 ]	# 800		
[ 2008 ]	24 775 424		
[ 2009 ]	# 1 843 386		
[ 2420 ]	965 935		
[ 2589 ]	965 935		
[ 2599 ]	36 695 175		
	XXXXXXXXXXXXX		
[ 2600 ]			
[ 2621 ]	4 429 809		
[ 2700 ]	5 500 000		
[ 2782 ]	18 666 572		
[ 2920 ]	169 145		
[ 3139 ]	28 765 526		
[ 3140 ]	7 730 817		
[ 3220 ]	616 746		

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001 Taxation Year End: 2001-12-31

[ 0001 ] \_\_\_\_\_

[ 0002 ] \_\_\_\_\_

XXXXXXXXXXXXX

[ 0003 ] \_\_\_\_\_

XXXXXXXXXXXXX

[ 8519 ] 933 525 [ 8710 ] 138 444

[ 9369 ] # 353 026 [ 9270 ] 304 619

[ 9899 ] \_\_\_\_\_ [ 9273 ] 255 819

[ 9970 ] # 353 026 [ 9284 ] 479 113

[ 9975 ] \_\_\_\_\_ [ 9367 ] 1 409 095

[ 9976 ] \_\_\_\_\_ [ 9368 ] 10 840 821

[ 9980 ] \_\_\_\_\_ XXXXXXXXXXXXX

[ 9985 ] \_\_\_\_\_

[ 9990 ] 38 500 [ 9370 ] \_\_\_\_\_

[ 9995 ] \_\_\_\_\_ [ 9659 ] 0

[ 9999 ] # 391 526 XXXXXXXXXXXXX

XXXXXXXXXXXXX

[ 9660 ] \_\_\_\_\_

[ 8000 ] 10 365 251 [ 9898 ] 0

[ 8089 ] 10 365 251 XXXXXXXXXXXXX

[ 8100 ] 59 550

[ 8230 ] 62 994

[ 8299 ] 10 487 795

XXXXXXXXXXXXX

[ 8300 ] \_\_\_\_\_

[ 8320 ] 9 431 726

[ 8518 ] 9 431 726

[ 8670 ] 231 100

Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 100 ]	1
[ 101 ]	1
[ 102 ]	2
[ 103 ]	2
[ 104 ]	2
[ 105 ]	2
[ 106 ]	1
[ 107 ]	2
[ 108 ]	2

XXXXXXXXXXXX

CT23 CHANGE OF ADDRESS

Corporation's Tax Account Number . . . . . : 1800084

Federal Account Number . . . . . : 870066529RC0001

Effective Date of change . . . . . : 2001-10-01

Applies to mailing of (Yes) . . . . . : Y CT23 Return

Y Notice of Assessment

Y Refund Cheque (when applicable)

Corporation's Name . . . . . : ESSEX POWERLINES CORPORATION

New Mailing Address :

c/o . . . . . :

Address 1 . . . . . : 360 FAIRVIEW AVENUE WEST

Address 2 . . . . . :

City . . . . . : ESSEX

Province . . . . . : ON

Country (if other than Canada) . . . . . : CA

Postal Code or Zip Code . . . . . : N8M-1Y1



## 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, 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.

055 Do not use this area

## Identification

Business Number (BN) 001 870066529RC0001

002 Corporation's name

ESSEX POWERLINES CORPORATION

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 ☒

011 360 FAIRVIEW AVENUE WEST

012

City Province, territory, or state

015 ESSEX

016 ON

Country (other than Canada) Postal Code/ZIP code

017 018 N8M-1Y1

## 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

022 360 FAIRVIEW AVENUE WEST

023

City Province, territory, or state

025 ESSEX

026 ON

Country (other than Canada) Postal code/ZIP code

027 028 N8M-1Y1

## Location of books and records

031 360 FAIRVIEW AVENUE WEST

032

City Province, territory, or state

035 ESSEX

036 ON

Country (other than Canada) Postal Code/ZIP code

037 038 N8M-1Y1

## 040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation2 ☐ Other private corporation 5 ☐ Other corporation (please specify, below)3 ☐ Public corporationIf 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 YYYY/MM/DD

061 2001-12-31 YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

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? 072 1 Yes ☐ 2 No ☒

If yes, please provide 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?

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					

**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?	<input checked="" type="checkbox"/>	9
28	Does the corporation have any non-resident shareholders?	<input type="checkbox"/>	19
29	Is the corporation an associated Canadian-controlled private corporation?	<input checked="" type="checkbox"/>	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	<input type="checkbox"/>	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	<input type="checkbox"/>	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?	<input type="checkbox"/>	44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	<input type="checkbox"/>	T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	<input type="checkbox"/>	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?	<input type="checkbox"/>	22
41	Did the corporation have any foreign affiliates during the year?	<input type="checkbox"/>	25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	<input type="checkbox"/>	29
43	Has the corporation had any non-arm's-length transactions with a non-resident?	<input type="checkbox"/>	T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	<input type="checkbox"/>	
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
53	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
76-79	Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural or ecological property?	<input type="checkbox"/>	2
80,102	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input type="checkbox"/>	3
67-74	Is the corporation claiming any type of losses?	<input checked="" type="checkbox"/>	4
128	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
54	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	<input type="checkbox"/>	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?	<input type="checkbox"/>	7
55	Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
56	Does the corporation have any property that is eligible capital property?	<input type="checkbox"/>	10
57	Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
58	Is the corporation claiming reserves of any kind?	<input type="checkbox"/>	13
59	Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
60	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	<input type="checkbox"/>	17
146	Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
127	Was the corporation carrying on business in Canada while not a Canadian corporation?	<input type="checkbox"/>	20 *
115	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	<input type="checkbox"/>	21
151	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	<input type="checkbox"/>	26 *
108	Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
118	Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
61	Is the corporation claiming any scientific research and experimental development expenditures?	<input type="checkbox"/>	T661
121	Is the corporation subject to gross Part I.3 tax?	<input checked="" type="checkbox"/>	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?	<input checked="" type="checkbox"/>	36
121	Is the corporation claiming a surtax credit?	<input type="checkbox"/>	37
125	Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
125	Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	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?	<input type="checkbox"/>	43
126	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
122	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	<input type="checkbox"/>	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?	<input type="checkbox"/>	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?	<input type="checkbox"/>	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?	<input type="checkbox"/>	41
148	Is the corporation claiming a Canadian film or video production tax credit refund?	<input type="checkbox"/>	T1131

ESSEX POWERLINES CORPORATION

870066529RC0001

2001-12-31

## Attachments - continued from page 2

Guide item	Yes	Schedule
149 Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	255 <input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?	256 <input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	257 <input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	258 <input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	259 <input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
Is the corporation claiming the BC mining exploration tax credit?	<input type="checkbox"/>	421
Is the corporation claiming the BC SR&ED tax credit?	<input type="checkbox"/>	T666

## Additional information

Is the corporation inactive?	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter yes for first time filers)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
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 <input type="checkbox"/>	2 Retail <input checked="" type="checkbox"/>
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	LDC - BILL & COLLECT	285 100%
	286		287 0%
	288		289 0%

## Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF1	300	-405,536	A
<b>Deduct:</b> 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	B
Subtotal (amount A minus amount B)		0	C
<b>Add:</b> 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 \*\* 52,940 D = 237,223 E

11,250

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 ..... 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 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) ..... 0 x 3/2 = 0 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 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 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 92 = 0 N  
Number of days in the taxation year 92

Accelerated tax reduction - 7% of amount N ..... 0 O  
(enter amount O on line 637 of page 7)

\* 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	..... $0 \times 100/7$	0	B
Amount QQ from Part 13 of Schedule 27	.....	0	C
Resource allowance (amount from line 346 of Schedule 1)	..... $0 \times 3 =$	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 from 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	I
Amount A minus amount I (if negative, enter "0")	.....	0	J
Amount J	$0 \times \frac{\text{Number of days in the taxation year in 2001}}{\text{Number of days in the taxation year}}$	$\frac{92}{92} \times 1\% =$	0 K
Amount J	$0 \times \frac{\text{Number of days in the taxation year in 2002}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 3\% =$	0 L
Amount J	$0 \times \frac{\text{Number of days in the taxation year in 2003}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 5\% =$	0 M
Amount J	$0 \times \frac{\text{Number of days in the taxation year after 2003}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 7\% =$	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	..... $0 \times 100/7$	0	B
Amount QQ from Part 13 of Schedule 27	.....	0	C
Resource allowance (amount from line 346 of Schedule 1)	..... $0 \times 3 =$	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	F
Amount A minus amount F (if negative, enter "0")	.....	0	G
Amount G	$0 \times \frac{\text{Number of days in the taxation year in 2001}}{\text{Number of days in the taxation year}}$	$\frac{92}{92} \times 1\% =$	0 H
Amount G	$0 \times \frac{\text{Number of days in the taxation year in 2002}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 3\% =$	0 I
Amount G	$0 \times \frac{\text{Number of days in the taxation year in 2003}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 5\% =$	0 J
Amount G	$0 \times \frac{\text{Number of days in the taxation year after 2003}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 7\% =$	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  
ESSEX POWERLINES CORPORATION

Business Number  
870066529RC0001

Taxation year-end  
2001-12-31

**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 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 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 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 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 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

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)

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 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 F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) ..... 0 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	12,182
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		12,182

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

Total tax payable 770 12,182 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  
Balance (line A minus line B) 12,182 B

Refund code 894 0 Overpayment 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 \_\_\_\_\_ 918 \_\_\_\_\_  
Institution number Account number

If the result is negative, you have an **overpayment**.  
If the result is positive, you have a **balance unpaid**.  
Enter the amount on whichever line applies.  
We do not charge or refund a difference of less than \$2.

Balance unpaid 12,182

Enclosed payment 898 12,182

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one month extension of the date the balance of tax is due?

896 1 Yes ☐ 2 No ☒

Certification

I, 950 DIMMEL Last name in block letters 951 RICHARD First name in block letters 954 VP 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 2002-06-15  
Date (yyyy/mm/dd)

Signature of an authorized signing officer of the corporation

956 519-776-8900  
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 ☐



Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements .....			-391,526	A
<b>Additions:</b>				
Provision for income taxes - current .....	101	38,500		
Amortization of tangible assets .....	104	231,100		
Subtotal of additions .....		269,600	269,600	
<b>Other Additions:</b>				
Subtotal of Other Additions .....	199	0	0	
<b>Total Additions</b>	500	269,600	269,600	
<b>Deductions:</b>				
Capital cost allowance from Schedule 8 .....	403	283,610		
Subtotal of Deductions .....		283,610	283,610	
<b>Other Deductions:</b>				
Subtotal of Other Deductions .....	499	0	0	
<b>Total Deductions</b>	510	283,610	283,610	
<b>Net income (loss) for income tax purposes</b> .....			-405,536	
(enter on line 300 on the T2 return)				

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 .....	-405,536	
<b>Deduct: (increase a loss)</b>		
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") .....	-405,536	
<b>Deduct: (increase a loss)</b>		
Section 110.5 - Addition for foreign tax deductions .....	0	
		-----
Subtotal .....	-405,536	
<b>Add: (decrease a loss)</b>		
Current-year farm loss .....	0	
		-----
Current-year non-capital loss (if positive, enter "0") .....	-405,536	
		=====

**Continuity of non-capital losses and request for a carryback**

Non-capital loss at the end of preceding taxation year .....	0		
<b>Deduct: Non-capital loss expired after seven taxation years</b> .....	<input type="checkbox"/> 100	0	
Non-capital losses at beginning of			
taxation year .....	<input type="checkbox"/> 102	0	
<b>Add: Non-capital losses transferred on amalgamation or</b>			
wind-up of subsidiary corporation .....	<input type="checkbox"/> 105	0	
Current-year non-capital loss (from calculation above) .....	<input type="checkbox"/> 110	405,536	405,536

**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	405,536

**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		405,536
			=====

**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
<b>Add:</b>			
Allowable business investment loss expired as non-capital loss.....	0x 4/3..... 220	0	
			-----
		Subtotal	0
<b>Deduct:</b>			
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
				-----
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 determined 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 is applied.

**Part 3 - Farm losses****Continuity of farm losses and request for a carryback**

Farm losses at end of preceding taxation year		0	
<b>Deduct:</b> Farm loss expired after 10 taxation years	300	0	
Farm losses at beginning of taxation year	302	0	
<b>Add:</b> Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
<b>Deduct:</b>			
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
<b>Deduct - Request to carry back farm loss to:</b>			
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	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		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	405,536	0	0	N/A	0	405,536
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 *
<b>Total</b>	<b>0</b>	<b>405,536</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>405,536</b>

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		Balance at End of Year
					Taxable Income	Part IV Tax	
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 *
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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		Balance at End of Year
					Taxable Income	Part IV Tax	
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 *
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>0</b>

\* This balance expires this year and will not be available next year

ESSEX POWERLINES CORPORATION

Account/Business No.: 870066529RC0001

Year Ended: 2001-12-31

Sch. 008

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203] - [207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	27,255,061	1,449,228	0	0	724,614	4	0	0	282,096	28,422,193
10	20,018	0	0	0	0	30	0	0	1,514	18,504
Total	27,275,079	1,449,228	0	0	724,614		0	0	283,610	28,440,697
	=====	=====	=====	=====	=====		=====	=====	=====	=====

**ESSEX POWERLINES CORPORATION**
**Sch. 009**
**Account/Business No.: 870066529RC0001**
**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]
ESSEX ENERGY CORPORATION	CA	870071123RC0001	3	0	0.00	0	0.00	0
ESSEX POWER SERVICES CORP	CA	866121635RC0001	3	0	0.00	0	0.00	0
ESSEX POWER CORPORATION	CA	869535435RC0001	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**



**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC's)  
TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)**

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

**Column 1:** Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.

**Column 2:** Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

**Column 3:** Enter the code that applies to each corporation:

- 1 - associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 - associated non-CCPC
- 5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation".

**Column 4:** Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 can not exceed \$200,000.

**Column 5:** Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

**Column 6:** Enter the gross Part I.3 tax of the prior year. This is used for the business limit reduction.

**Allocation of business limit**

Date filed (for departmental use only) .....  Year Month Day

Enter the calendar year to which the agreement applies .....  Year 2001

Is this an amended agreement for the above-noted calendar year that  
is intended to replace an agreement previously filed by any of the  
associated corporations listed below? .....  [Y/N] [ N ]

**ESSEX POWERLINES CORPORATION****Account/Business No.: 870066529RC0001****Year Ended: 2001-12-31****Sch. 023**

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)
<div>100</div> ESSEX POWERLINES CORPORATION See attached	<div>200</div> 870066529RC0001	<div>300</div> 1	<div>400</div> 200,000 0 ----- 200,000 =====	<div>500</div> 2001-12-31	52,940 0 ----- 52,940 =====
Totals (not to exceed \$200,000)			200,000 =====		52,940 =====

**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 area 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).

**ESSEX POWERLINES CORPORATION**
**Sch. 023-Supp.**
**Account/Business No.: 870066529RC0001**
**Year Ended: 2001-12-31**
**AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT**

1	2	3	4	5	6
Name of associated corporation	Business Number of associated corporation	Asso-ciation code	Business limit allocated (Note)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year
{100}	[200]	[300]	[400]	[500]	
ESSEX ENERGY CORPORATION	870071123RC0001	3	0	2001-12-31	0
ESSEX POWER SERVICES CORP	866121635RC0001	3	0	2001-12-31	0
ESSEX POWER CORPORATION	869535435RC0001	3	0	2001-12-31	0
<b>TOTALS</b>			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 area 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.

Filing date (for departmental use only) ..... 100      Year    Month    Day

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. ....	<span style="border: 1px solid black; padding: 0 5px;">101</span>	0
Capital stock (or members' contributions if incorporated without share capital) . . . . .	<span style="border: 1px solid black; padding: 0 5px;">103</span>	5
Retained earnings . . . . .	<span style="border: 1px solid black; padding: 0 5px;">104</span>	0
Contributed surplus . . . . .	<span style="border: 1px solid black; padding: 0 5px;">105</span>	0
Any other surpluses . . . . .	<span style="border: 1px solid black; padding: 0 5px;">106</span>	0
Deferred unrealized foreign exchange gains . . . . .	<span style="border: 1px solid black; padding: 0 5px;">107</span>	0
All loans and advances to the corporation . . . . .	<span style="border: 1px solid black; padding: 0 5px;">108</span>	26,397,389
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations . . . . .	<span style="border: 1px solid black; padding: 0 5px;">109</span>	5,500,000
Any dividends declared but not paid by the corporation before the end of the year . . . . .	<span style="border: 1px solid black; padding: 0 5px;">110</span>	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 . . . . .	<span style="border: 1px solid black; padding: 0 5px;">111</span>	0

**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 31,897,394 31,897,394 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 . . . . . 122 417,919  
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 417,919 417,919 B  
=====

Capital for the year (amount A minus amount B) (if negative, enter "0") . . . . . 190 31,479,475  
=====

**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) . . . . . 31,479,475 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 31,479,475  
=====

**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)	31,479,475	X	Taxable income earned in Canada	610	1,000	Taxable capital employed in Canada	690	31,479,475
								=====
			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 1.3 tax**

Taxable capital employed in Canada for the year

(line 690 or 790, whichever applies) . . . . . 31,479,475

**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 21,479,475

Gross Part 1.3 tax: Line 811 21,479,475 x .2250% = 48,329 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F	48,329	x	Number of days in the year		=	12,182	G
			92				
			365				

Gross Part 1.3 tax (amount F or G, whichever applies) . . . . . 820 12,182

**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 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 31,479,475 = 0
- 31,479,475
- line 500 of this schedule
- d) line 700 plus line 660 from the T2 return . . . . . 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) . . . . . 12,182 J
- 
- Net amount -12,182 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 . . . . . 12,182 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)		12,182	N
<b>Deduct the following amounts:</b>			
Current year surtax credit applied (the lesser of lines 820 and 830)	881	0	
Unused surtax credit from prior years applied	882	0	
		-----	
Total (cannot exceed amount on line 820)		0	0 O
		-----	
<b>Net Part I.3 tax payable (amount N minus amount O)</b>			
Enter this amount at line 704 of the T2 return	870	12,182	
		=====	



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 ESSEX POWERLINES CORPORATION See attached	300 870066529RC0001	400 10,000,000 0	500 2001-12-31
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.

**ESSEX POWERLINES CORPORATION**

Sch. 036-Supp.

Account/Business No.: 870066529RC0001 Year Ended: 2001-12-31

**AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX**

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal Income Tax Act, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group	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]
ESSEX ENERGY CORPORATION	870071123RC0001	0	2001-12-31
ESSEX POWER SERVICES CORP	866121635RC0001	0	2001-12-31
ESSEX POWER CORPORATION	869535435RC0001	0	2001-12-31
<b>TOTAL</b>		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	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
	100	200	400	500
ESSEX POWER CORPORATION	869535435RC0001		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

**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.



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

## Summary Federal Payment-in-Lieu (PIL)

Electricity Act, 1998  
Corporations Tax Act, R.S.O. 1990

Additional information may be found on the reverse.

ESSEX POWERLINES CORPORATION

MONA SULLIVAN  
360 FAIRVIEW AVE W  
SUITE 218  
ESSEX

ON

N8W 3G4

Account No.

1800084

Taxation Year End

December 31, 2001

Please complete the following information below for the **Federal Payment-in-Lieu (PIL)** and attach this form to the **front** of your CT23 Corporations Tax and Annual Return. Our current processing will accept paper returns only.

### Enter the following information from your Federal T2 Corporation Income Tax Return:

Federal Taxable Income

from line

360

N/L

Federal PIL Instalments Paid

from line

840

N/L

Federal PIL Payment Enclosed

from line

898

12,182.00

Balance Payable

(From the T2: Total tax payable on line 770  
minus Total Credits on line 890)

12,182.00

PX5007

Please DO NOT separate

0000084

005



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

If submitting a payment please complete this Remittance Advice portion and return the complete form with your cheque or money order made payable to the "Ontario Electricity Financial Corporation" to: the Ministry of Finance, PO Box 620, 33 King St W, Oshawa, ON L1H 8E9.

ESSEX POWERLINES CORPORATION

MONA SULLIVAN  
360 FAIRVIEW AVE W  
SUITE 218  
ESSEX

ON

Account No.

1800084

Taxation Year End

December 31, 2001

Total Payment

\$ N/L



Ontario

Ministry of Finance  
Corporations Tax Branch  
P.O. 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.

MCBS Annual Return Required? (Refer to Guide)

Yes ☒ No ☐

Page 1 of 24

Corporation's Legal Name (including punctuation) and Mailing Address

ESSEX POWERLINES CORPORATION

360 FAIRVIEW AVENUE WEST

ESSEX

ON CA N8M-1Y1

Has address changed since last filed CT23 Return?

Yes ☒ No ☐

Date of Change

year month day  
2001-10-01

Registered/Head Office Address

360 FAIRVIEW AVENUE WEST

ESSEX

ON CA N8M-1Y1

Location of Books and Records

360 FAIRVIEW AVENUE WEST

ESSEX

ON CA N8M-1Y1

Name of person to contact regarding this CT23 Return

Telephone No.

Fax No.

RICHARD DIMMEL

519-776-8900

5197767059

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

(MCBS)

ON CA -

Former Corporation Name (Extra-Provincial Corporations only)

(Not Applicable) ☒

(MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedules

0

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

☒ No change

Ministry Use

Ontario Corporations Tax Account No. (MOF)

1800084

This CT23 Return covers the Taxation Year

Start

year month day  
2001-10-01

End

year month day  
2001-12-31

Date of Incorporation or Amalgamation

year month day  
2000-04-18

Ontario Corporation No. (MCBS)

1413911

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.

If applicable, enter

870066529RC0001

Jurisdiction Incorporated

ONTARIO

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

Commenced

year month day

Ceased

year month day

(Not Applicable) ☒

Preferred Language / Langue de préférence

English / anglais

☒

French / français

Ministry use



## Certification (MCBS)

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

Name of Authorized Person (Print clearly or type in full)

RICHARD DIMMEL

Title: ☐ Director ☐ Officer ☒ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

ESSEX POWERLINES CORPORATION

1800084

2001-12-31

# CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

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

☒ 1 Canadian-controlled Private (CCPC) all year  
(Generally a private corporation of which  
50% or more shares are owned by  
Canadian residents.) (fed.s.125(7)(b))

☐ 2 Other Private

☐ 3 Public

☐ 4 Non-share Capital

☐ 5 Other (specify)

Share Capital with full voting rights  
owned by Canadian Residents

(nearest percent)

100%

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office no.)

If applicable, enter

Ontario Employer Health Tax Account No.  
(Use Head Office no.)

If applicable, enter

Specify major business activity

☐ 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

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

Was the corporation inactive throughout the taxation year?

Yes No

☐ ☒

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

☒ ☐

Are you requesting a refund due to: the Carry-back of a Loss?

☐ ☒

an Overpayment?

☒ ☐

a Specified Refundable Tax Credit?

☐ ☒

Are you a Member of a Partnership or Joint Venture?

☐ ☒

ESSEX POWERLINES CORPORATION

1800084

2001-12-31

DOLLARS ONLY

**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 -405,536.

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 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 -405,536.

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					
From 10 (or 20 if applicable)	0. x 30 100.0000% X 14.5000% X	24 0	73 92	= +	25 0.
Ontario Allocation					
From 10 (or 20 if applicable)	0. x 30 100.0000% X 14.0000% X	28 0	73 92	= +	27 0.
Ontario Allocation					
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 ☒ 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.

..... = 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					
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% X	56 0.	=	60 0.	

\* Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

# Income Tax *continued from Page 4*

## Calculation of IDSBC Rate

		Number of Days in Taxation Year			
		Days after Dec 31, 1998 and before Jan 1, 2000	Total Days		
.....	7.00%	74	0 + 73 = 92	= + 75	.0000
		Days after Dec 31, 1999 and before Oct 1, 2001	Total Days		
.....	7.50%	76	0 + 73 = 92	= + 77	.0000
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
.....	6.50%	69	92 + 73 = 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** ☒ (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

Aggregate Taxable Income **80** + **82** + **83** + **84**, etc.

+ **82** 0.  
+ **83** .  
+ **84** .  
= **85** 0.

		Number of Days in Taxation Year			
		Days before Jan 1, 2001	Total Days		
Subtract: 200,000	X	558	0 + 73 = 92	= + 111	0.
		Days after Dec 31, 2000 and before Oct 1, 2001	Total Days		
240,000	X	557	0 + 73 = 92	= + 112	0.
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
280,000	X	556	92 + 73 = 92	= + 113	280,000.
		111	+ 112 + 113	=	280,000.

(If negative, enter nil)

- **114** 280,000.  
= **86** 0.

		Number of Days in Taxation Year			
		Days after Dec 31, 1998 and before Jan 1, 2000	Total Days		
Calculation of Specified Rate for Surtax	4.67%	74	0 + 73 = 92	= + 92	.0000
		Days after Dec 31, 1999 and before Oct 1, 2001	Total Days		
.....	5.00%	76	0 + 73 = 92	= + 93	.0000
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
.....	4.3330%	69	92 + 73 = 92	= + 95	4.3330
Specified rate of surtax for Taxation Year		92	+ 93 + 95	= 94	4.3330
From <b>86</b>	0.	X From <b>94</b>	4.3330%	= <b>87</b>	0.
From <b>87</b>	0.	X From <b>60</b>	0.	+ From <b>114</b>	280,000.
Surtax Lesser of <b>70</b> or <b>88</b>				= <b>100</b>	0

Continued on Page 6



ESSEX POWERLINES CORPORATION

1800084

2001-12-31

DOLLARS ONLY

**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 % + From 78 6.5000 % = 121 0.			
* Ontario Allocation			
Lesser of 58 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**

		<b>Number of Days in Taxation Year</b>		
143 0. X From 30 .0000 % X 2.0000 % X		Days before Oct 1, 2001	Total Days	
Lesser of 130 or 142	* Ontario Allocation	0	73	92
		= + 0.		
143 0. X From 30 .0000 % X 1.5000 % X		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days	
Lesser of 130 or 142	* Ontario Allocation	69	0	73
		= + 0.		
				160 0.

\* Note: Ontario Allocation for M&amp;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&amp;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 &amp; 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

ESSEX POWERLINES CORPORATION

1800084

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**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 **5820** OITC Claim Form (Attach original Claim Form)+ **191** 0**Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies to employment of eligible students.*Eligible Credit From **5798** Summary Schedule F+ **192** 0**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)***Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.*Eligible Credit From **5899** Claim Form Certified by Ontario Film Development Corporation*(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)*+ **193** 0**Graduate Transitions Tax Credit (GTTC) (s.43.6)***Applies to employment of eligible unemployed graduate students.*No. of Graduates From **6596****194** 0Eligible Credit From **6598** Summary Schedule G+ **195** 0**Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)***Applies to qualifying expenditures in respect of eligible literary works by 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** 0To 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  exceeds \$5,000,000 or Total Revenue  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 ..... +  36,695,175.  
 \* Total Revenue of the corporation ..... +  41,609,187.

If you are a member of an associated group (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			+ <input type="text" value="243"/> 27,924,240.	+ <input type="text" value="244"/> 1,484,768.
			+ <input type="text" value="245"/>	+ <input type="text" value="246"/>
			+ <input type="text" value="247"/>	+ <input type="text" value="248"/>
Aggregate Total Assets	<input type="text" value="240"/> + <input type="text" value="243"/> + <input type="text" value="245"/> + <input type="text" value="247"/> , etc.		= <input type="text" value="249"/> 64,619,415.	
Aggregate Total Revenue	<input type="text" value="241"/> + <input type="text" value="244"/> + <input type="text" value="246"/> + <input type="text" value="248"/> , etc.			= <input type="text" value="250"/> 43,093,955.

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  0 X From  100.0000 % X 4% =  0.  
 If negative, enter zero Ontario Allocation  
 Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) ..... -  0.  
 Subtract: Income Tax ..... - From  0.  
 Net CMT Payable (If negative, enter Nil on Page 18.) ..... =  0.

If  is less than zero and you do not have a CMT credit carryover, transfer  from **Page 7 to Income tax Summary, on Page 18**.

If  is less than zero and you have a CMT credit carryover, complete A & B below.

If  is greater than or equal to zero, transfer  to **Page 18** and transfer  to **Page 18, and to Schedule D: Continuity of CMT Credit Carryovers, on Page 21**.

CMT Credit Carryover available ..... From  0.

## Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) ..... + From  0.  
 Gross CMT Payable ..... + From  0.  
 Subtract: Foreign Tax Credit for CMT purposes ..... - From  0.  
 If  -  is negative, enter NIL in  ..... =  0.  
 Income Tax eligible for CMT Credit ..... =  0.  
 B. Income tax (after deduction of specified credits) ..... + From  0.  
 Subtract: CMT credit used to reduce income taxes ..... -  0.  
 Income Tax ..... =  0.

Transfer to page 18

If A & B apply,  cannot exceed the lesser of  ,  and your CMT credit carryover available .

If only B applies,  cannot exceed the lesser of  and your CMT credit carryover available .

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**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	5.
Retained earnings (if deficit, deduct)	351	-417,919.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	352	0.
Loans and advances (Attach schedule)	353	26,397,389.
Bank loans	354	5,500,000.
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	0.
Other reserves not allowed as deductions for income tax purposes (Attach schedule)	361	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s))	362	0.
Subtotal	370	31,479,475.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.)	371	-5,541,062.
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	37,020,537.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	381	0.
Net Paid-up Capital	390	37,020,537.

**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

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**Capital Tax** *continued from Page 9***Total Assets**

Total Assets per balance sheet	+	420	36,695,175.
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.
<b>Total Assets as adjusted</b>	=	430	36,695,175.
Amounts in 360 and 381 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	-5,541,062.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
<b>Total Assets</b>	=	450	42,236,237.

<b>Investment Allowance</b> ( 410 + 450 ) × 390	Not to exceed 410	=	460	0.
<b>Taxable Capital</b> 390 - 460		=	470	37,020,537.

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	10,487,795.
<b>Total Assets</b> (as adjusted)	From 430	36,695,175.

**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*

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**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:

From 470

\$2,400,000 - 0. X 1.5% = - 492 0.

( 504 = 490 - 492 ) = 504 0. X From 30 100.0000% X 0 = + 505 0.

Ontario Allocation \*\* 365  
(366 if leap year)

Days in taxation year after May 4, 1999 and before Jan 1, 2000 552

If 2,400,000 - 470 is negative, enter NIL in 492

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:

From 470

\$2,800,000 - 0. X 0.75% = - 493 0.

( 506 = 490 - 493 ) = 506 0. X From 30 100.0000% X 0 = + 507 0.

Ontario Allocation \*\* 365  
(366 if leap year)

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553

If 2,800,000 - 470 is negative, enter NIL in 493

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:

From 470

\$3,200,000 - 0. X 0.5% = - 495 0.

( 509 = 490 - 495 ) = 509 0. X From 30 100.0000% X 0 = + 522 0.

Ontario Allocation \*\* 365  
(366 if leap year)

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 554

If 3,200,000 - 470 is negative, enter NIL in 495

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 30 100.0000% X .3000% X 0 = 502.1 0.

Ontario Allocation \*\* 365  
(366 if leap year)

Days in taxation year before Oct 1, 2001 555

From 470 Exemption 0. X From 30 100.0000% X .3000% X 92 = 502.2 0.

Ontario Allocation \*\* 365  
(366 if leap year)

Days in taxation year after Sept 30, 2001 92

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.

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**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** ☒ (Yes)Taxable Capital ..... + From **470** 37,020,537.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** 3,705,233...... + **512** .......... + **513** .....Aggregate Taxable Capital **470** + **511** + **512** + **513**, etc. .... = **520** 40,725,770.*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** 0.0000Note: **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.

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**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:

From **520** 0. x 1.5% x **521** 0.0000 = - **492** 0.

\$2,400,000 - 0. ( **504** = **490** - **492** ) = **504** 0. x **100.0000** % x 0 = + **505** 0.

Days in taxation year after May 4, 1999 and before Jan 1, 2000 **552**

If 2,400,000 - **520** is negative, enter NIL in **492**

From **30** **552**

Ontario Allocation \*\* **365** (366 if leap year)

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:

From **520** 0. x 0.75% x **521** 0.0000 = - **493** 0.

\$2,800,000 - 0. ( **506** = **490** - **493** ) = **506** 0. x **100.0000** % x 0 = + **507** 0.

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 **553**

If 2,800,000 - **520** is negative, enter NIL in **493**

From **30** **553**

Ontario Allocation \*\* **365** (366 if leap year)

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:

From **520** 0. x 0.5% x **521** 0.0000 = - **495** 0.

\$3,200,000 - 0. ( **509** = **490** - **495** ) = **509** 0. x **100.0000** % x 0 = + **522** 0.

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 **557**

If 3,200,000 - **520** is negative, enter NIL in **495**

From **30** **557**

Ontario Allocation \*\* **365** (366 if leap year)

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** 37,020,537. x From **30** **100.0000** % x .3000% x 0 = 502.1 0.

Days in taxation year before Oct 1, 2001 **555**

Ontario Allocation \*\* **365** (366 if leap year)

(b) Exemption is the lesser of:

i) 5,000,000

Taxable Paid up Capital of all Corporations in Associated Group (if any) from **520** 40,725,770.

Minus portion attributable to corporations without a permanent establishment in Canada 0.

ii) TPUC of all corporations post September 30, 2001 40,725,770.

Lesser of i) and ii) 5,000,000.

TPUC from **470** 37,020,537.

TPUC of all corporations post September 30, 2001 40,725,770.

Exemption for this corporation 4,545,100.

From **470** 37,020,537. - Exemption 4,545,100. x From **30** **100.0000** % x .3000% x 92 = 502.2 24,557.

Days in taxation year after Sept 30, 2001 **92**

Ontario Allocation \*\* **365** (366 if leap year)

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** 24,557.

\*\* 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** 24,557.

Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide) = **546** 0.

Capital Tax **543** - **546** = **550** 24,557.

Transfer to Page 18

continued on Page 14



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**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.)

$$\begin{array}{l} \text{565 } 0.00 \times 0.00\% \times \text{From } 30 \text{ Ontario Allocation } \times \frac{\text{Days in taxation year}}{366 \text{ (if leap year)}} = + \text{569 } 0. \end{array}$$

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1

$$\begin{array}{l} \text{570 } 0.00 \times \text{571 } 0.00\% \times \text{From } 30 \text{ Ontario Allocation } \times \frac{\text{Days in taxation year}}{366 \text{ (if leap year)}} = + \text{574 } 0. \end{array}$$

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount

Capital Tax Rate (Refer to Guide)

**Capital Tax for Financial Institutions – other than Credit Unions (before Sections II)**

$$\text{569} + \text{574} = \text{575 } 0.$$

\*\* 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

$$\text{Capital Tax – Financial Institutions } \text{575} - \text{585} = \text{588 } 0.$$

Transfer to **543** on Page 13**Premium Tax (s.74.2 & 74.3) (Refer to Guide)**

$$\begin{array}{l} \text{(1) Uninsured Benefits Arrangements } \text{587 } 0. \times 2\% = \text{588 } 0. \end{array}$$

**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.

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} \text{589 } 0.$$

$$\text{Premium Tax } \text{588} - \text{589} = \text{590 } 0.$$

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# 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 -405,536.

Transfer to page 16

## Add:

Federal capital cost allowance	+ 601	283,610.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non allowable reserves. Balance beginning of year	+ 604	0.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	0.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

## Number of Days in Taxation Year

Days before May 2, 2000		Total Days		
612	0. x 5 + 15.5000 x	22 0 + 73 92	= +	630 0.

Days after May 1, 2000 and before Jan 1, 2001		Total Days		
612	0. x 5 + 14.5000 x	24 0 + 73 92	= +	631 0.

Days after Dec 31, 2000 and before Oct 1, 2001		Total Days		
612	0. x 5 + 14.0000 x	26 0 + 73 92	= +	632 0.

Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
612	0. x 5 + 12.5000 x	28 92 + 73 92	= +	633 0.

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 = 283,610. 640 283,610.

Transfer to page 16

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# Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 15

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1

From + 600 -405,536.

Subtotal of Additions

From = 640 283,610.

## Deduct:

Ontario capital cost allowance	+ 650	283,610.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	0.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	0.
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 662	0.	=	663	0.
	From 30		100.0000						
			Ontario Allocation						

## Workplace Child Care Tax Incentive: (Applies to qualifying expenditures incurred after May 5, 1998.)

Qualifying expenditures:	665	0.	x	30.00%	x	100	=	666	0.
					From 30	100.0000			
						Ontario Allocation			

## Workplace Accessibility Tax Incentive: (Applies to qualifying expenditures incurred after July 1, 1998.)

Qualifying expenditures:	667	0.	x	100.00%	x	100	=	668	0.
					From 30	100.0000			
						Ontario Allocation			

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	=	671	0.
					From 30	100.0000			
						Ontario Allocation			

## Educational Technology Tax Incentive: (Applies to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures:	672	0.	x	15.00%	x	100	=	673	0.
					From 30	100.0000			
						Ontario Allocation			

Ontario allowable business investment loss

+ 678 0.

Total of other deductions allowed by Ontario (Attach schedule)

+ 664 0.

Subtotal of Deductions 650 to 680 + 674 + 661 + 663 + 666 + 668 + 671 + 673 + 678 + 664 = 283,610. 680 283,610.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 -405,536.

Transfer to Page 4

ESSEX POWERLINES CORPORATION

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DOLLARS ONLY

## 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)
<b>Balance at Beginning of Year</b>	700 (2)	710 (2)	720 (2)	730	740	750
	0	0	0	0	0	0
<b>Add:</b>						
Current year's losses	701	711	721	731	741	751
	405,536	0	0	0	0	0
Losses from predecessor corporations (3)	702	712	722	732		752
	0	0	0	0		0
<b>Subtotal</b>	703	713	723	733	743	753
	405,536	0	0	0	0	0
<b>Subtract:</b>						
Utilized during the year to reduce taxable income	704	715 (4)	724	734 (4)	744 (4)	754 (4)
	0	0	0	0	0	0
Expired during the year	705		725	735	745	
	0		0	0	0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 18	716 (2) to Page 18	726 (2) to Page 18	736 (2) to Page 18	746	
	0	0	0	0	0	
<b>Subtotal</b>	707	717	727	737	747	757
	0	0	0	0	0	0
<b>Balance at End of Year</b>	709	719	729	739	749	759
	405,536	0	0	0	0	0

## Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amount from 111 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	870
				0	0
801 1994-09-30				851	871
				0	0
802 1995-09-30				852	872
				0	0
803 1996-09-30	820	830	840	853	873
	0	0	0	0	0
804 1997-09-30	821	831	841	854	874
	0	0	0	0	0
805 1998-09-30	822	832	842	855	875
	0	0	0	0	0
806 1999-09-30	823	833	843	856	876
	0	0	0	0	0
807 2000-09-30	824	834	844	857	877
	0	0	0	0	0
808 2001-09-30	825	835	845	858	878
	0	0	0	0	0
809 2001-12-31	826	836	846	859	879
	405,536	0	0	0	0
<b>Total</b>	828	838	849	869	889
	405,536	0	0	0	0

ESSEX POWERLINES CORPORATION

1800084

2001-12-31

DOLLARS ONLY

**Request for Loss Carry-Back (s.80(16))**

**Applies** to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance**.

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a predecessor corporation, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

**Application of Losses**

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
<b>Total amount of loss</b>	910 405,536	920 0	930 0	940 0
<b>Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income</b>				
<b>Predecessor Ontario Corporation's Tax Account No. (MOF)</b>	<b>Taxation Year Ending year month day</b>			
i) 3rd preceding	901	911 0	921 0	931 0
ii) 2nd preceding	902	912 0	922 0	932 0
iii) 1st preceding	903	913 0	923 0	933 0
<b>Total loss to be carried back</b>	From 706 0	From 716 0	From 726 0	From 736 0
<b>Balance of loss available for carry-forward</b>	919 405,536	929 0	939 0	949 0

**Summary**

Income tax	+ From 230 or 320	0
Corporate Minimum Tax	+ From 280	0
Capital Tax	+ From 550	24,557
Premium Tax	+ From 590	0
<b>Total Tax Payable</b>	= 950	24,557
<b>Subtract: Payments</b>	- 960	38,300
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
<b>Balance</b>	= 970	-13,743
If payment due	Enclosed *	990 0
If overpayment: Refund (Refer to Guide)	= 975	13,743
Apply to	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 C return, including all schedules and statements filed with or as part of the 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.

*Credit coming*

Name (please print)

RICHARD DIMMEL

Title

VP of Finance

Full Residence Address

Signature

Date

2002-06-15

**Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.**

ESSEX POWERLINES CORPORATION

1800084

2001-12-31

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 -391,526.

**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 = 2109 0.

**Add (to extent reflected in net income/loss):**

Provision for current taxes	+	2110	38,500.
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 = 2115 38,500.

**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) = 2128 0.

Subtotal (Subtractions) = 2129 0.

\*\* Other adjustments ± 2130 0.

Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130 = 2131 -353,026.

\*\* 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 -353,026.

Deduct: \* CMT losses: pre-1994 Loss + From 2210 0.

\* CMT losses: other eligible losses + From 2211 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

ESSEX POWERLINES CORPORATION

1800084

2001-12-31

## Corporate Minimum Tax (CMT)

DOLLARS ONLY

## Schedule B: Continuity of CMT Losses Carried Forward



Balance at Beginning of year (1), (2)		+ 2201	0.
Add:			
Current year's losses	+ 2202	353,026.	
Losses from predecessor corporations on amalgamation (3)	+ 2203	0.	
Losses from predecessor corporations on wind-up (3)	+ 2204	0.	
Amalgamation (x) 2205 <input type="checkbox"/> Yes Wind-up (x) 2206 <input type="checkbox"/> Yes			
Subtotal	=	353,026.	+ 2207 353,026.
Adjustments (attach schedule)		+ 2208	0.
CMT losses available	2201 + 2207 ± 2208	= 2209	353,026.
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	353,026.

## 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	2000-12-31	2260 0	2280 0
2241	2001-12-31	2261 353,026	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 353,026	2290 0

The sum of amounts 2270 + 2290  
must equal amount in 2214.

## 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 <input type="checkbox"/> Yes Wind-up (x) 2304 <input type="checkbox"/> Yes		
Subtotal	= 2305	0.
Adjustments (Attach schedule)	± 2306	0.
CMT credit carryover available	2301 + 2305 ± 2306 = 2307	0.
<i>Transfer to Page 8</i>		
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	= 2309	0.
Balance at End of Year (3)	2307 - 2309	= 2310

**Notes:**

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (3) Amount in 2310 must equal 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		2360	2380
	2000-12-31	0	0
2341		2361	2381
	2001-12-31	0	0
2342		2362	2382
		0	0
2343		2363	2383
		0	0
2344		2364	2384
		0	0
2345		2365	2385
		0	0
2346		2366	2386
		0	0
2347		2367	2387
		0	0
2348		2368	2388
		0	0
2349		2369	2389
		0	0
Totals		2370	2390

The sum of amounts 2370 + 2390  
must equal amount in 2310.



**ESSEX POWERLINES CORPORATION****CT23-Supp.****Corp. Tax Acct. No. : 1800084****Year Ended: 2001-12-31****ONTARIO CT23 SUPPLEMENTARY - LIST OF ASSOCIATED CORPORATIONS**

Name of Associated Corporation	Ontario Corp.		Taxable Capital	Total Assets (Note 1)	Total Revenue (Note 1)	Taxable Income (Note 2)
	Tax	Taxation				
	Number	Year end				
ESSEX ENERGY CORPORATION	1800081	2001-12-31	252,574	330,830	15,044	0
ESSEX POWER SERVICES CORP	1800083	2001-12-31	3,209,397	6,495,594	1,288,366	0
ESSEX POWER CORPORATION	1800082	2001-12-31	243,262	21,097,816	181,358	0
<b>TOTALS</b>			3,705,233	27,924,240	1,484,768	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

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	27,255,061	1,449,228	0	0	724,614	4	0	0	282,096	28,422,193
10	20,018	0	0	0	0	30	0	0	1,514	18,504
Total	27,275,079	1,449,228	0	0	724,614		0	0	283,610	28,440,697

## FEDERAL TAX INSTALMENTS

## For The Taxation Year Ended: 2002-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made either to an authorized financial institution or filed with form T9 (instalment form) and addressed to the appropriate Revenue Canada Taxation Centre.

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2002-01-31	4,028	0	0	4,028
2002-02-28	4,028	0	0	4,028
2002-03-31	4,028	0	0	4,028
2002-04-30	4,028	0	0	4,028
2002-05-31	4,028	0	0	4,028
2002-06-30	4,028	0	0	4,028
2002-07-31	4,028	0	0	4,028
2002-08-31	4,028	0	0	4,028
2002-09-30	4,028	0	0	4,028
2002-10-31	4,028	0	0	4,028
2002-11-30	4,028	0	0	4,028
2002-12-31	4,028	0	0	4,028
	-----	-----		-----
Total	48,336	0		48,336

## Indicate Instalment Method Chosen [1-3]: 1

1st Instalment Base Method

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) [ 1 ]

## 1. 1st INSTALMENT BASE METHOD

1st Instalment Base Amount (Amount (I) Below) . . . . .	48,331/12	=	4,028
			-----
	Monthly Instalments Required		4,028

## 2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD

2nd Instalment Base Amount:

Indicate:	Part I Tax . . . . .	0	
	Part I.3, VI & VI.I Tax . . . . .	0	
	Provincial Tax . . . . .	0	
		-----	
	Total	0 / 12	= (A) 0
Less: 1/12 of Estimated Current Yr Credits [(H) below / 12] . . . . .			0
			-----
Each of the first 2 Instalment Payments . . . . .		= (B)	0
Total tax from (I) below . . . . .	48,331		
Less: Amount (B) above x 2 . . . . .	0		
	-----		
	48,331 / 10	=	4,834
			-----
Each of the remaining 10 Instalment Payments . . . . .			4,834

## 3. ESTIMATED TAX METHOD

Instalment Base Amount (Amount (I) Below) . . . . .	0/12	=	0
			-----
	Monthly Instalments Required		0

## — INSTALMENT BASE CALCULATION —

	1st Instalment Base Method	Estimated Tax Method
Taxable Income . . . . .	0	0
	=====	=====
<b>CALCULATION OF TAX PAYABLE</b>		
Total of:		
Federal Part I Tax . . . . .	0	0
Federal Surtax . . . . .	0	0
Refundable Tax on a CCPC's Investment Income . . . . .	0	0
	-----	-----
Subtotal (A)	0	0
<b>Less</b> Total of:		
Small Business Deduction . . . . .	0	0
Investment Corporation Deduction . . . . .	0	0
Federal Tax Abatement . . . . .	0	0
Manufacturing and Processing Profits Deduction . . . . .	0	0
Non-Business Foreign Tax Credit . . . . .	0	0
Business Foreign Tax Credit . . . . .	0	0
Tax Reduction, General and Accelerated . . . . .	0	0
Logging Tax Credit . . . . .	0	0
Federal Political Contribution Tax Credit . . . . .	0	0
Investment Tax Credit Per T2038 . . . . .	0	0
Part VI Tax Credit . . . . .	0	0
Part I.3 Tax Credit . . . . .	0	0
Qualifying Environmental Trust Tax Credit . . . . .	0	0
	-----	-----
Subtotal (B)	0	0
Total Part I Tax Payable . . . . . (A) - (B) = (C)	0	0
<b>Add:</b> Part I.3 Tax . . . . . (D)	12,182	0
Part VI Tax . . . . . (D.1)	0	0
Part VI.I Tax . . . . . (D.2)	0	0
Provincial/Territorial Tax . . . . . (E)	0	0
	-----	-----
<b>Total</b>		
Parts I, I.3, VI, VI.I and		
Provincial/Territorial Tax . . . . . = (F)	12,182	0
Adjustment for Short Taxation Years:		
x 365/# of days in year if < 365 . . . . . (G)	365 / 92 48,331	365 / 0 0
<b>Less - Estimated Current Year Credits:</b>		
Investment Tax Credit Refund . . . . .	0	0
Dividend Refund . . . . .	0	0
Federal Capital Gains Refund . . . . .	0	0
Provincial and Territorial Capital		
Gains Refund . . . . .	0	0
NRO Allowable Refund per Sch. 26 . . . . .	0	0
Tax Withheld at Source . . . . .	0	0
Other Estimated Credits . . . . .	0	0
	-----	-----
<b>Total Estimated Current Year Credits . . . . . (H)</b>	0	0
<b>INSTALMENT BASE AMOUNT . . . . . (G) - (H) = (I)</b>	48,331	0
	=====	=====

**ONTARIO TAX INSTALMENTS**

**For The Taxation Year Ended: 2002-12-31**

The following is a list of Ontario instalments payable for the current taxation year. The last column indicates the instalments payable to the Ontario Ministry of Revenue. The instalments are due no later than on the dates indicated otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Minister of Finance. Payment may be made either to a chartered bank in Ontario or filed with an instalment form and addressed to:

Ministry of Revenue (Ontario)  
 Corporation Tax Branch  
 P.O. Box 620  
 33 King Street West  
 Oshawa, Ontario  
 L1H 8E9

**Quarterly Instalment**

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2002-03-31	0	0	0	0
2002-06-30	0	0	0	0
2002-09-30	0	0	0	0
2002-12-31	0	0	0	0
	-----	-----	-----	-----
	0	0		0
	=====	=====		=====

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2002-01-31	8,119	0	0	8,119
2002-02-28	8,119	0	0	8,119
2002-03-31	8,119	0	0	8,119
2002-04-30	8,119	0	0	8,119
2002-05-31	8,119	0	0	8,119
2002-06-30	8,119	0	0	8,119
2002-07-31	8,119	0	0	8,119
2002-08-31	8,119	0	0	8,119
2002-09-30	8,119	0	0	8,119
2002-10-31	8,119	0	0	8,119
2002-11-30	8,119	0	0	8,119
2002-12-31	8,119	0	0	8,119
	-----	-----		-----
<b>Total</b>	97,428	0		97,428
	=====	=====		=====

Indicate Instalment Method Chosen [1-3]: 1

1. 1st Instalment Base Method
2. Combined 1st and 2nd Instalment Base Method
3. Estimated Tax Method

Do not used the quarterly payment even if applicable "X" to continue montly payments . . . . . [ ]

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) [ 1 ]

**1. 1st INSTALMENT BASE METHOD**

1st Instalment Base Amount (Amt (I) Below) . . . . .	97,427 / 12 =	8,119
		-----
Monthly Instalments Required		8,119
Quarterly Instalments Required		0

**2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD**

2nd Instalment Base Amount:

Indicate:	Income Tax, C.M.T. . . . .	0	
	Capital Tax, Prem. Tax. . . . .	100,311	
		-----	
	Total	100,311 / 12 = (A)	8,360
			-----
Each of the first 2 Instalment Payments . . . . .		= (B)	8,360
Total tax from (I) below . . . . .	97,427		
Less: Amount (A) above x 2 . . . . .	16,720		
		-----	
	80,707 / 10 =		8,071
			-----
Each of the remaining 10 Instalment Payments . . . . .		=	8,071
			-----
Quarterly Instalments Required			0

**3. ESTIMATED TAX METHOD**

Instalment Base Amount (Amt (I) Below) . . . . .	0 / 12 =	0
		-----
Monthly Instalments Required		0
Quarterly Instalments Required		0

INSTALMENT BASE CALCULATION

	1st Instalment Base Method	Estimated Tax Method
Ontario Taxable Income . . . . .	0	0
	=====	=====
<b>CALCULATION OF TAX PAYABLE</b>		
Gross Ontario Tax . . . . . (A)	0	0
<b>Less</b> Total of:		
Incentive Deduction for an S.B.C., net of surtax . . . . .	0	0
Manufacturing and Processing Profits Credit . . . . .	0	0
Additional deduction for credit unions . . . . .	0	0
Credit for foreign taxes paid . . . . .	0	0
Credit for Investment in S.B.D.C. . . . .	0	0
Specified credits applied against income tax . . . . .	0	0
	-----	-----
<b>Total</b> Deduction and Credits . . . . . (B)	0	0
Income Tax . . . . . (A) - (B) = (C)	0	0
<b>Add:</b> Capital Tax . . . . . (D)	24,557	0
Corporate minimum tax paid (credited) . . . . . (E)	0	0
Premium Tax . . . . . (F)	0	0
	-----	-----
<b>Total</b> Income Tax and Other Taxes (C+D+E+F) = (G)	24,557	0
Adjustment for Short Taxation Years x 365 / number of days in year if < 365 . . . . .	365 / 92	365 / 365
	(H) 97,427	0
<b>Less:</b> Total estimated current year credits . . . . .	0	0
	-----	-----
	(I) 97,427	0
	=====	=====



Name: ESSEX POWERLINES CORPORATION

BN: 87006 6529 RC 0001      Taxation Year End: 2001-12-31

[ 001 ]      87006 6529 RC 0001

[ 060 ]      2001 10 01

[ 061 ]      2001 12 31

[ 099 ]      TP04

XXXXXXXXXXXX

[ 002 ]      ESSEX POWERLINES CORPORATION

[ 003 ]      2

[ 004 ]      \_\_\_\_\_

XXXXXXXXXXXX

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[ 022 ]      360 FAIRVIEW AVENUE WEST

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[ 026 ]      ON

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For agency use	
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For agency use	
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[ 092 ]	_____
[ 093 ]	_____

For agency use	
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[ 095 ]	_____
[ 096 ]	_____
[ 097 ]	_____

# T2 CORPORATION INCOME TAX RETURN

 Canada Customs and Revenue Agency      Agence des douanes et du revenu du Canada

200  
Code 0101

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2001 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and the *General Index of Financial Information (GIFI)* to your tax services office or to the tax centre that serves the corporation. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

**055**
**Do not use this area**

## Identification

<b>Business Number (BN)</b> ..... 001 <u>870066529RC0001</u>	
<b>Corporation's name</b> 002 <u>ESSEX POWERLINES CORPORATION</u>	
Has the corporation changed its name since the last time we were notified? ... 003 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	If yes, do you have a copy of the articles of amendment? ..... 004 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
<b>Address of head office</b> Has the address changed since the last time we were notified? ..... 010 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
011 <u>360 FAIRVIEW AVENUE WEST</u> 012 _____ <div style="display: flex; justify-content: space-between;"> <div>                     City                      015 <u>ESSEX</u>                      Country (other than Canada)                 </div> <div>                     Province, territory, or state                      016 <u>ON</u>                      Postal Code/ZIP code                      017 <u>N8M-1Y1</u> </div> </div>	
<b>Mailing address (if different from head office address)</b> Has the address changed since the last time we were notified? 020 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
021 <u>c/o</u> 022 <u>360 FAIRVIEW AVENUE WEST</u> 023 _____ <div style="display: flex; justify-content: space-between;"> <div>                     City                      025 <u>ESSEX</u>                      Country (other than Canada)                 </div> <div>                     Province, territory, or state                      026 <u>ON</u>                      Postal code/ZIP code                      027 <u>N8M-1Y1</u> </div> </div>	
<b>Location of books and records</b> 031 <u>360 FAIRVIEW AVENUE WEST</u> 032 _____ <div style="display: flex; justify-content: space-between;"> <div>                     City                      035 <u>ESSEX</u>                      Country (other than Canada)                 </div> <div>                     Province, territory, or state                      036 <u>ON</u>                      Postal Code/ZIP code                      037 <u>N8M-1Y1</u> </div> </div>	
<b>040 Type of corporation at the end of the taxation year</b> <div style="display: flex; justify-content: space-between;"> <div>                         1 <input checked="" type="checkbox"/> Canadian-controlled private corporation (CCPC)                          2 <input type="checkbox"/> Other private corporation                          3 <input type="checkbox"/> Public corporation                     </div> <div>                         4 <input type="checkbox"/> Corporation controlled by a public corporation                          5 <input type="checkbox"/> Other corporation (please specify, below) _____                     </div> </div> If the type of corporation changed during the taxation year, please provide the effective date of the change ..... 043 _____ YYYY/MM/DD	
<b>To which taxation year does this return apply?</b> <div style="display: flex; justify-content: space-between;"> <div>                         Taxation year start                          060 <u>2002-01-01</u>                          YYYY/MM/DD                     </div> <div>                         Taxation year end                          061 <u>2002-12-31</u>                          YYYY/MM/DD                     </div> </div> Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? ..... 063 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
If yes, provide the date control was acquired ..... 065 _____ YYYY/MM/DD	
<b>Is the corporation a professional corporation that is a member of a partnership?</b> ..... 067 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
<b>Is this the first year of filing after:</b> Incorporation? ..... 070 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> Amalgamation? ..... 071 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
If yes, please provide Schedule 24	
<b>Has there been a windup of a subsidiary under section 88 during the current taxation year?</b> If yes, please provide Schedule 24 ..... 072 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
<b>Is this the final taxation year before amalgamation?</b> ..... 076 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
<b>Is this the final return up to dissolution?</b> ..... 078 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
<b>Is the corporation a resident of Canada?</b> 080 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/> If no, give the country of residence.	
081 _____	
<b>Is the non-resident corporation claiming an exemption under an income tax treaty?</b> If yes, please provide Schedule 91 ..... 082 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
<b>If the corporation is exempt from tax under section 149, tick one of the following boxes:</b> 085 <div style="display: flex; justify-content: space-between;"> <div>                     1 <input type="checkbox"/> Exempt under 149(1)(e) or (l)                      2 <input type="checkbox"/> Exempt under 149(1)(j)                      3 <input type="checkbox"/> Exempt under 149(1)(t)                      4 <input type="checkbox"/> Exempt under other paragraphs of section 149                 </div> </div>	

Do not use this area

091	092	093	094
097			

# **Attachments**

**Financial statement information:** For taxation years ending in 2000 and later, use GIF1 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 <input checked="" type="checkbox"/>	9
28	Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
29	Is the corporation an associated Canadian-controlled private corporation?	160 <input checked="" type="checkbox"/>	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	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 <input type="checkbox"/>	22
41	Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
43	Has the corporation had any non-arm's-length transactions with a non-resident?	171 <input type="checkbox"/>	T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172 <input type="checkbox"/>	
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 <input checked="" type="checkbox"/>	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
78-81	Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural or ecological property?	202 <input type="checkbox"/>	2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
69-76	Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	4
131	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	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 <input type="checkbox"/>	7
57	Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
58	Does the corporation have any property that is eligible capital property?	210 <input type="checkbox"/>	10
59	Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
60	Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
61	Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
149	Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
130	Was the corporation carrying on business in Canada while not a Canadian corporation?	220 <input type="checkbox"/>	20 *
117	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
154	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
110	Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
120	Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232 <input type="checkbox"/>	T661
123	Is the corporation subject to gross Part I.3 tax?	233 <input checked="" type="checkbox"/>	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 <input checked="" type="checkbox"/>	36
123	Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
127	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
127	Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	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 <input type="checkbox"/>	43
128	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
124	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	41
151	Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131

Corporation's name	Business Number	Taxation year-end
ESSEX POWERLINES CORPORATION	870066529RC0001	2002-12-31

### Attachments - continued from page 2

Guide item	Yes	Schedule
129 Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *
152 Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
— Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
— Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
— Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
— Is the corporation claiming the BC mining exploration tax credit?	<input type="checkbox"/>	421
— Is the corporation claiming the BC SR&ED tax credit?	<input type="checkbox"/>	T666

### Additional information

Is the corporation inactive? 280 1 Yes ☐ 2 No ☒ X

Has the major business activity changed since the last return was filed? (enter yes for first time filers) 281 1 Yes ☐ 2 No ☒ X

What is the corporation's major business activity? 282 \_\_\_\_\_  
(Only complete if yes was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☒ X

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284 LDC - BILL & COLLECT	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 GIF	300	736,753 A
<b>Deduct:</b> 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	405,536
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
<b>Subtotal</b>		405,536 B
<b>Subtotal (amount A minus amount B)</b>		331,217 C
<b>Add:</b> Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355	0 D
<b>Taxable income (amount C plus amount D)</b>	360	331,217
Income exempt under paragraph 149(1)(t)	370	0
<b>Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)</b>		331,217 Z

### Small business deduction

#### Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 ..... 400 736,753 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 ..... 405 331,217 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\*\*\* ..... 48,329 D = ..... 11,250

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 0 F

**Small business deduction** - 16.00% of the least of amounts A, B, C, and F (enter amount G on line 9 of page 7) ..... 430 0 G

\* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

\*\* Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

\*\*\* **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

### Accelerated tax reduction

#### Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 0 x 3/2 = ..... 0 A

Net active business income (amount from line 400) \* ..... 736,753 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 ..... 331,217 C

**Deduct:**  
Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 331,217 ..... 331,217 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  $\frac{\text{Number of days in the taxation year after December 31, 2000}}{\text{Number of days in the taxation year}}$   $\frac{365}{365}$  = ..... 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					<u>331,217</u> A
Amount Z from Part 9 of Schedule 27	<u>0</u> x 100/7		<u>0</u>	B	
Amount QQ from Part 13 of Schedule 27			<u>0</u>	C	
Resource allowance (amount from line 346 of Schedule 1)	<u>0</u> x 3 =		<u>0</u>	D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			<u>0</u>	E	
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4			<u>0</u>	F	
Aggregate investment income from line 440 of page 6			<u>0</u>	G	
Amount used to calculate the accelerated tax reduction (amount M of page 4)			<u>0</u>	H	
Total of amounts B, C, D, E, F, G, and H			<u>0</u>		<u>0</u> I
Amount A minus amount I (if negative, enter "0")					<u>331,217</u> J
Amount J	<u>331,217</u> x	Number of days in the taxation year in 2001 365	<u>0</u> x 1% =		<u>0</u> K
Amount J	<u>331,217</u> x	Number of days in the taxation year in 2002 365	<u>365</u> x 3% =		<u>9,937</u> L
Amount J	<u>331,217</u> x	Number of days in the taxation year in 2003 365	<u>0</u> x 5% =		<u>0</u> M
Amount J	<u>331,217</u> x	Number of days in the taxation year after 2003 365	<u>0</u> x 7% =		<u>0</u> 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)					<u>9,937</u> 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					<u>0</u> A
Amount Z from Part 9 of Schedule 27	<u>0</u> x 100/7		<u>0</u>	B	
Amount QQ from Part 13 of Schedule 27			<u>0</u>	C	
Resource allowance (amount from line 346 of Schedule 1)	<u>0</u> x 3 =		<u>0</u>	D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			<u>0</u>	E	
Total of amounts B, C, D, and E			<u>0</u>		<u>0</u> F
Amount A minus amount F (if negative, enter "0")					<u>0</u> G
Amount G	<u>0</u> x	Number of days in the taxation year in 2001 365	<u>0</u> x 1% =		<u>0</u> H
Amount G	<u>0</u> x	Number of days in the taxation year in 2002 365	<u>365</u> x 3% =		<u>0</u> I
Amount G	<u>0</u> x	Number of days in the taxation year in 2003 365	<u>0</u> x 5% =		<u>0</u> J
Amount G	<u>0</u> x	Number of days in the taxation year after 2003 365	<u>0</u> x 7% =		<u>0</u> K
General tax reduction - Total of amounts H, I, J and K (enter amount L on line 639 of page 7)					<u>0</u> L

Corporation's name <b>ESSEX POWERLINES CORPORATION</b>	Business Number <b>870066529RC0001</b>	Taxation year-end <b>2002-12-31</b>
---	---	--

### Refundable portion of Part I tax

#### Canadian-controlled private corporations throughout the taxation year

Aggregate investment income ..... **440** ..... 0 x 26 2/3% = ..... 0 **A**  
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 ..... 0

#### Deduct:

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

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

Taxable income from line 360 on page 3 ..... 331,217

#### 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

331,217 x 26 2/3% = ..... 88,325 **D**

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 86,513

Deduct corporate surtax from line 600 of page 7 ..... 3,710

Net amount ..... 82,803 **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 **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 **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
ESSEX POWERLINES CORPORATION	870066529RC0001	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 ..... 550 125,862 A

## Corporate surtax calculation

Base amount from line A above ..... 125,862 1

### Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 33,122 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)

Total of lines 2 to 6 ..... 33,122 7

Net amount (line 1 minus line 7) ..... 92,740 8

Corporate surtax - 4.00% of the amount on line 8 ..... 600 3,710 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 ..... 331,217

### Deduct:

The least of amounts on lines 400, 405, 410, and 425 of page 4 .. 0

Net amount ..... 331,217 331,217 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) ..... 129,572 E

### Deduct:

Small business deduction from line 430 of page 4 ..... 0 9

Federal tax abatement ..... 608 33,122

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 9,937

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 ..... 43,059 43,059 F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) ..... 86,513 G



Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	86,513
Part I.3 tax payable from Schedule 33, 34, or 35	704	45,259
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		131,772

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  
Provincial tax on large corporations (New Brunswick and Nova Scotia) ..... 765

Total tax payable 770 131,772 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	0
Canadian film or video production tax credit refund from Form T1131	796	0
Film or video production services tax credit refund from Form T1177	797	0
Tax withheld at source	800	0

Total payments on which tax has been withheld ..... 801 0

Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0
Provincial and territorial capital gains refund from Schedule 18	808	0
Provincial and territorial refundable tax credits from Schedule 5	812	0
Royalties deductible under Syncrude Remission Order	815	0
Tax remitted under Syncrude Remission Order	816	0
Tax instalments paid	840	0

Total credits 890 0 B

Refund code 894 0 Overpayment 0

Balance (line A minus line B) 131,772

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number  
914 Institution number 918 Account number

If the result is negative, you have an overpayment.  
If the result is positive, you have a balance unpaid.  
Enter the amount on whichever line applies.  
We do not charge or refund a difference of less than \$2.

Balance unpaid 131,772

Enclosed payment 898 131,772

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 DIMMEL Last name in block letters 951 RICHARD First name in block letters 954 VP 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 2003-03-18

Date (yyyy/mm/dd)

Signature of an authorized signing officer of the corporation

956 519-776-8900

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

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements.....		567,482	A
<b>Additions:</b>			
Provision for income taxes - current.....	101	257,161	
Amortization of tangible assets.....	104	1,203,079	
Subtotal of additions.....		1,460,240	1,460,240
<b>Other Additions:</b>			
<b>Miscellaneous Other Additions:</b>			
Subtotal of Other Additions.....	199	0	0
<b>Total Additions</b>	500	1,460,240	1,460,240
<b>Deductions:</b>			
Capital cost allowance from Schedule 8.....	403	1,169,412	
Subtotal of Deductions.....		1,169,412	1,169,412
<b>Other Deductions:</b>			
<b>Miscellaneous Other Deductions:</b>			
700 Ontario capital tax.....	390	121,557	
Subtotal of Other Deductions.....	499	121,557	121,557
<b>Total Deductions</b>	510	1,290,969	1,290,969
<b>Net income (loss) for income tax purposes.....</b>			736,753
(enter on line 300 on the T2 return)			=====

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 .....		736,753
<b>Deduct:</b> (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
		<hr/>
Subtotal (if positive, enter "0") .....		0
<b>Deduct:</b> (increase a loss)		
Section 110.5 - Addition for foreign tax deductions .....		0
		<hr/>
Subtotal .....		0
<b>Add:</b> (decrease a loss)		
Current-year farm loss .....		0
		<hr/>
Current-year non-capital loss (if positive, enter "0") .....		0
		<hr/>

**Continuity of non-capital losses and request for a carryback**

Non-capital loss at the end of preceding taxation year .....		405,536
<b>Deduct:</b> Non-capital loss expired after seven taxation years .....	<input type="checkbox"/> 100	0
Non-capital losses at beginning of taxation year .....	<input type="checkbox"/> 102	405,536
<b>Add:</b> Non-capital losses transferred on amalgamation or		
wind-up of subsidiary corporation .....	<input type="checkbox"/> 105	0
Current-year non-capital loss (from calculation above) .....	<input type="checkbox"/> 110	0
		405,536

**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) .....	<input type="text" value="130"/>	405,536	
Amount applied against taxable dividends subject to Part IV tax .....	<input type="text" value="135"/>	0	
Section 80 - Adjustments for forgiven amounts .....	<input type="text" value="140"/>	0	
Subsection 111(10) - Adjustments for fuel tax rebate .....		0	
Other adjustments .....	<input type="text" value="150"/>	0	405,536
			<hr/>
		Subtotal	0

**Deduct - Request to carry back non-capital loss to:**

First preceding taxation year to reduce taxable income .....	<input type="text" value="901"/>	0	
Second preceding taxation year to reduce taxable income .....	<input type="text" value="902"/>	0	
Third preceding taxation year to reduce taxable income .....	<input type="text" value="903"/>	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax .....	<input type="text" value="911"/>	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax .....	<input type="text" value="912"/>	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax .....	<input type="text" value="913"/>	0	0
			<hr/>
Non-capital losses - Closing balance .....	<input type="text" value="180"/>	0	<hr/>

**Election under paragraph 88(1.1)(f)**

Paragraph 88(1.1)(f) election indicator .....  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 .....	<input type="text" value="200"/>	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation .....	<input type="text" value="205"/>	0	
Current-year capital loss (from Schedule 6 calculation) .....	<input type="text" value="210"/>	0	0
<b>Add:</b>			
Allowable business investment loss expired as non-capital loss .....	Ox 4/3 .....	<input type="text" value="220"/>	0
			<hr/>
		Subtotal	0

**Deduct:**

Amount applied against current-year capital gain (see note 1) .....	<input type="text" value="225"/>	0	
Section 80 - Adjustments for forgiven amounts .....	<input type="text" value="240"/>	0	
Other adjustments .....	<input type="text" value="250"/>	0	0
			<hr/>
		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	<input type="text" value="951"/>	0	
Second preceding taxation year .....	0	<input type="text" value="952"/>	0	
Third preceding taxation year .....	0	<input type="text" value="953"/>	0	0
				<hr/>
Capital losses - Closing balance .....		<input type="text" value="280"/>	0	<hr/>

**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 determined 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 is applied.

**Part 3 - Farm losses****Continuity of farm losses and request for a carryback**

Farm losses at end of preceding taxation year .....		0	
<b>Deduct:</b> Farm loss expired after 10 taxation years .....	300	0	
Farm losses at beginning of taxation year .....	302	0	
<b>Add:</b> Farm losses transferred on amalgamation or wind-up of subsidiary corporation .....	305	0	
Current-year farm loss .....	310	0	0
<b>Deduct:</b>			
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
			<hr/>
		Subtotal	0
<b>Deduct - Request to carry back farm loss to:</b>			
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
			<hr/>
Farm losses - Closing balance .....	380		0
			<hr/>

**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	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.....	400	0	
<b>Deduct:</b> Restricted farm loss expired after 10 taxation years.....	402	0	
Restricted farm losses at beginning of taxation year.....	405	0	
<b>Add:</b> Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation.....	410	0	0
Current-year restricted farm loss (enter on line 233 of Schedule 1).....			
<b>Deduct:</b>			
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	
<b>Deduct - Request to carry back restricted farm loss to:</b>			
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.....	500	0	
<b>Deduct:</b> Listed personal property loss expired after seven taxation years.....	502	0	
Listed personal property losses at beginning of taxation year.....	510	0	
<b>Add:</b> Current-year listed personal property loss (from Schedule 6).....			
	Subtotal	0	
<b>Deduct:</b>			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6).....	530	0	
Other adjustments.....	550	0	0
	Subtotal	0	
<b>Deduct - Request to carry back listed personal property loss to:</b>			
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		Balance at End of Year	
					Taxable Income	Part IV Tax		
Current	N/A	0	0	0	N/A	0	0	0
2001	405,536	N/A	0	N/A	405,536	0	0	0
2001	0	N/A	0	N/A	0	0	0	0
2000	0	N/A	0	N/A	0	0	0	0
1999	0	N/A	0	N/A	0	0	0	0
1998	0	N/A	0	N/A	0	0	0	0
1997	0	N/A	0	N/A	0	0	0	0
1996	0	N/A	0	N/A	0	0	0	0 *
<b>Total</b>	<b>405,536</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>405,536</b>	<b>0</b>		<b>0</b>

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		Balance at End of Year	
					Taxable Income	Part IV Tax		
Current	N/A	0	0	0	N/A	0	0	0
2001	0	N/A	0	N/A	0	0	0	0
2001	0	N/A	0	N/A	0	0	0	0
2000	0	N/A	0	N/A	0	0	0	0
1999	0	N/A	0	N/A	0	0	0	0
1998	0	N/A	0	N/A	0	0	0	0
1997	0	N/A	0	N/A	0	0	0	0
1996	0	N/A	0	N/A	0	0	0	0
1995	0	N/A	0	N/A	0	0	0	0
1994	0	N/A	0	N/A	0	0	0	0
1993	0	N/A	0	N/A	0	0	0	0 *
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

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		Balance at End of Year	
					Taxable Income	Part IV Tax		
Current	N/A	0	0	0	N/A	N/A	0	0
2001	0	N/A	0	N/A	0	N/A	0	0
2001	0	N/A	0	N/A	0	N/A	0	0
2000	0	N/A	0	N/A	0	N/A	0	0
1999	0	N/A	0	N/A	0	N/A	0	0
1998	0	N/A	0	N/A	0	N/A	0	0
1997	0	N/A	0	N/A	0	N/A	0	0
1996	0	N/A	0	N/A	0	N/A	0	0
1995	0	N/A	0	N/A	0	N/A	0	0
1994	0	N/A	0	N/A	0	N/A	0	0
1993	0	N/A	0	N/A	0	N/A	0	0 *
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>		<b>0</b>

\* This balance expires this year and will not be available next year

## Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [101] N

Class No.	UCC at Beginning of Year	Cost of Additions During Year	Adjustments	Lesser of Cost or Proceeds	1/2 of [203]-[207]	Rate %	Recapture of Capital Cost Allowance	Terminal Loss	Capital Cost Allowance	Undepreciated Capital Cost end of year
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[220]
1	28,422,193	1,182,098	0	0	591,049	4	0	0	1,160,530	28,443,761 ✓
10	18,504	22,204	0	0	11,102	30	0	0	8,882	31,826 ✓
Total	28,440,697	1,204,302	0	0	602,151		0	0	1,169,412	28,475,587



**ESSEX POWERLINES CORPORATION**

Sch. 009

Account/Business No.: 870066529RC0001 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]
ESSEX ENERGY CORPORATION	CA	870071123RC0001	3	0	0.00	0	0.00	0
ESSEX POWER SERVICES CORP	CA	866121635RC0001	3	0	0.00	0	0.00	0
ESSEX POWER CORPORATION	CA	869535435RC0001	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**

**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC's)  
TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)**

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

**Column 1:** Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.

**Column 2:** Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

**Column 3:** Enter the code that applies to each corporation:

- 1 - associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 - associated non-CCPC
- 5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation".

**Column 4:** Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 can not exceed \$200,000.

**Column 5:** Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

**Column 6:** Enter the gross Part I.3 tax of the prior year. This is used for the business limit reduction.

**Allocation of business limit**

Date filed (for departmental use only).....  Year Month Day

Enter the calendar year to which the agreement applies.....  Year 2002

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?.....  [Y/N] [ N ]

**ESSEX POWERLINES CORPORATION****Account/Business No.: 870066529RC0001****Year Ended:****2002-12-31****Sch. 023**

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)
<div>100</div>	<div>200</div>	<div>300</div>	<div>400</div>	<div>500</div>	
ESSEX POWERLINES CORPORATION	870066529RC0001	1	200,000		48,329
See attached			0		0
			-----		-----
	Totals (not to exceed \$200,000)		200,000		48,329
			=====		=====

**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 area 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).

**ESSEX POWERLINES CORPORATION**

Sch. 023-Supp.

Account/Business No.: 870066529RC0001 Year Ended: 2002-12-31

**AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT**

1	2	3	4	5	6
Name of associated corporation	Business Number of associated corporation	Asso- ciation code	Business limit allocated (Note)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year
[100]	[200]	[300]	[400]	[500]	
ESSEX ENERGY CORPORATION	870071123RC0001	3	0	2002-12-31	0
ESSEX POWER SERVICES CORP	866121635RC0001	3	0	2002-12-31	0
ESSEX POWER CORPORATION	869535435RC0001	3	0	2002-12-31	0
<b>TOTALS</b>			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 area 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.

Filing date (for departmental use only) ..... 100      Year    Month    Day

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. ....	<span style="border: 1px solid black; padding: 0 5px;">101</span>	0
Capital stock (or members' contributions if incorporated without share capital) .....	<span style="border: 1px solid black; padding: 0 5px;">103</span>	5
Retained earnings .....	<span style="border: 1px solid black; padding: 0 5px;">104</span>	162,564
Contributed surplus .....	<span style="border: 1px solid black; padding: 0 5px;">105</span>	0
Any other surpluses .....	<span style="border: 1px solid black; padding: 0 5px;">106</span>	0
Deferred unrealized foreign exchange gains .....	<span style="border: 1px solid black; padding: 0 5px;">107</span>	0
All loans and advances to the corporation .....	<span style="border: 1px solid black; padding: 0 5px;">108</span>	25,014,571
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations .....	<span style="border: 1px solid black; padding: 0 5px;">109</span>	6,600,000
Any dividends declared but not paid by the corporation before the end of the year .....	<span style="border: 1px solid black; padding: 0 5px;">110</span>	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 .....	<span style="border: 1px solid black; padding: 0 5px;">111</span>	0

**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 31,777,140 31,777,140 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** 13,170  
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 13,170 13,170 B

**Capital for the year** (amount A minus amount B) (if negative, enter "0")..... **190** 31,763,970

**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)..... 31,763,970 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** 31,763,970

**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)	31,763,970	X	Taxable income earned in Canada	<u>610</u>	331,217	Taxable capital employed in Canada	<u>690</u>	31,763,970
			Taxable income		331,217			

- 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) ..... 31,763,970

**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 21,763,970

**Gross Part I.3 tax:** Line 811 21,763,970 x .2250% = 48,969 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F 48,969 x Number of days in the year 365 = 0 G

365

**Gross Part I.3 tax** (amount F or G, whichever applies) ..... 820 48,969

**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:

c) line 600 from the T2 return	3,710	x	line 690 of this schedule 31,763,970	=	3,710	
			31,763,970			
			line 500 of this schedule			
d) line 700 from the T2 return .....			86,513		3,710	I
Current year surtax credit (amount H or I, whichever applies) .....			830		3,710	
					=====	

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

Amount on line 830 .....	3,710	
Less: Part I.3 tax before deducting surtax credits (line 820) .....	48,969	J
	Net amount	-45,259 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 .....

45,259 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 1.3 tax payable**

Gross Part 1.3 tax (line 820) ..... 48,969 N

**Deduct the following amounts:**

Current year surtax credit applied

(the lesser of lines 820 and 830) ..... 861 3,710Unused surtax credit from prior years applied ..... 862 0

Total (cannot exceed amount on line 820) ..... 3,710 3,710 O

**Net Part 1.3 tax payable (amount N minus amount O)**Enter this amount at line 704 of the T2 return ..... 870 45,259

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
ESSEX POWERLINES CORPORATION	870066529RC0001	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.

**ESSEX POWERLINES CORPORATION****Account/Business No.: 870066529RC0001 Year Ended:**  
**AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX****Sch. 036-Supp.**  
**2002-12-31**

- 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	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]
ESSEX ENERGY CORPORATION	870071123RC0001	0	2002-12-31
ESSEX POWER SERVICES CORP	866121635RC0001	0	2002-12-31
ESSEX POWER CORPORATION	869535435RC0001	0	2002-12-31
<b>TOTAL</b>		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	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
	100	200	400	500
ESSEX POWER CORPORATION	869535435RC0001		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

**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.

**ONTARIO TAX INSTALMENTS**

**For The Taxation Year Ended: 2003-12-31**

The following is a list of Ontario instalments payable for the current taxation year. The last column indicates the instalments payable to the Ontario Ministry of Revenue. The instalments are due no later than on the dates indicated otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Minister of Finance. Payment may be made either to a chartered bank in Ontario or filed with an instalment form and addressed to:

Ministry of Revenue (Ontario)  
 Corporation Tax Branch  
 P.O. Box 620  
 33 King Street West  
 Oshawa, Ontario  
 L1H 8E9

**Quarterly Instalment**

<b>Date</b>	<b>Instalments Required</b>	<b>Instalments Paid</b>	<b>Cumulative Difference</b>	<b>Instalments Payable</b>
2003-03-31	0	0	0	0
2003-06-30	0	0	0	0
2003-09-30	0	0	0	0
2003-12-31	0	0	0	0
	-----	-----		-----
	0	0		0
	=====	=====		=====

<b>Date</b>	<b>Instalments Required</b>	<b>Instalments Paid</b>	<b>Cumulative Difference</b>	<b>Instalments Payable</b>
2003-01-31	11,150	0	0	11,150
2003-02-28	11,150	0	0	11,150
2003-03-31	11,150	0	0	11,150
2003-04-30	11,150	0	0	11,150
2003-05-31	11,150	0	0	11,150
2003-06-30	11,150	0	0	11,150
2003-07-31	11,150	0	0	11,150
2003-08-31	11,150	0	0	11,150
2003-09-30	11,150	0	0	11,150
2003-10-31	11,150	0	0	11,150
2003-11-30	11,150	0	0	11,150
2003-12-31	11,150	0	0	11,150
	-----	-----		-----
<b>Total</b>	133,800	0		133,800
	=====	=====		=====

— INSTALMENT BASE CALCULATION —

		1st Instalment Base Method	Estimated Tax Method
Ontario Taxable Income . . . . .		331,217	0
		=====	=====
<b>CALCULATION OF TAX PAYABLE</b>			
Gross Ontario Tax . . . . . (A)		41,402	0
<b>Less</b> Total of:			
Incentive Deduction for an S.B.C., net of surtax . . . . .		5,459	0
Manufacturing and Processing Profits Credit . . . . .		0	0
Additional deduction for credit unions . . . . .		0	0
Credit for foreign taxes paid . . . . .		0	0
Credit for Investment in S.B.D.C. . . . .		0	0
Specified credits applied against income tax . . . . .		0	0
		-----	-----
<b>Total</b> Deduction and Credits . . . . . (B)		5,459	0
Income Tax . . . . . (A) - (B) = (C)		35,943	0
<b>Add:</b> Capital Tax . . . . . (D)		97,854	0
Corporate minimum tax paid (credited) . . . . . (E)		0	0
Premium Tax . . . . . (F)		0	0
		-----	-----
<b>Total</b> Income Tax and Other Taxes (C+D+E+F) = (G)		133,797	0
Adjustment for Short Taxation Years x 365 / number of days in year if < 365 . . . . .	365 / 365	133,797	0
	(H)	0	0
<b>Less:</b> Total estimated current year credits . . . . .		-----	-----
	(I)	133,797	0
		=====	=====

## FEDERAL TAX INSTALMENTS

For The Taxation Year Ended: 2003-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada.

The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made either to an authorized financial institution or filed with form T9 (instalment form) and addressed to the appropriate Revenue Canada Taxation Centre.

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2003-01-31	10,981	0	0	10,981
2003-02-28	10,981	0	0	10,981
2003-03-31	10,981	0	0	10,981
2003-04-30	10,981	0	0	10,981
2003-05-31	10,981	0	0	10,981
2003-06-30	10,981	0	0	10,981
2003-07-31	10,981	0	0	10,981
2003-08-31	10,981	0	0	10,981
2003-09-30	10,981	0	0	10,981
2003-10-31	10,981	0	0	10,981
2003-11-30	10,981	0	0	10,981
2003-12-31	10,981	0	0	10,981
	-----	-----		-----
<b>Total</b>	131,772	0		131,772
	=====	=====		=====

**Indicate Instalment Method Chosen [1-3]: 1**  
 1st Instalment Base Method

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) 1

**1. 1st INSTALMENT BASE METHOD**

1st Instalment Base Amount	131,772	/	12	=	10,981
(Amount (I) Below) . . . . .					-----
					10,981
					Monthly Instalments Required

**2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD**

2nd Instalment Base Amount:					
Indicate:	Part I Tax . . . . .	0			
	Part I.3, VI & VI.I Tax . . . . .	48,331			
	Provincial Tax . . . . .	0			
		-----			
	Total	48,331	/	12	= (A) 4,028
<b>Less:</b> 1/12 of Estimated Current Yr Credits [(H) below / 12] . . . . . 0					
					-----
	Each of the first 2 Instalment Payments . . . . .			= (B)	4,028
Total tax from (I) below . . . . . 131,772					
<b>Less:</b> Amount (B) above x 2 . . . . . 8,056					
		-----			
		123,716	/	10	= 12,372
					-----
	Each of the remaining 10 Instalment Payments . . . . .				12,372

**3. ESTIMATED TAX METHOD**

Instalment Base Amount	0	/	12	=	0
(Amount (I) Below) . . . . .					-----
					0
					Monthly Instalments Required



**— INSTALMENT BASE CALCULATION —**

	<b>1st Instalment Base Method</b>	<b>Estimated Tax Method</b>
<b>Taxable Income . . . . .</b>	331,217 =====	0 =====
<b>CALCULATION OF TAX PAYABLE</b>		
Total of:		
Federal Part I Tax . . . . .	125,862	0
Federal Surtax . . . . .	3,710	0
Refundable Tax on a CCPC's Investment Income . . . . .	0	0
	-----	-----
Subtotal (A)	129,572	0
<b>Less Total of:</b>		
Small Business Deduction . . . . .	0	0
Investment Corporation Deduction . . . . .	0	0
Federal Tax Abatement . . . . .	33,122	0
Manufacturing and Processing Profits Deduction . . . . .	0	0
Non-Business Foreign Tax Credit . . . . .	0	0
Business Foreign Tax Credit . . . . .	0	0
Tax Reduction, General and Accelerated . . . . .	9,937	0
Logging Tax Credit . . . . .	0	0
Federal Political Contribution Tax Credit . . . . .	0	0
Investment Tax Credit Per T2038 . . . . .	0	0
Qualifying Environmental Trust Tax Credit . . . . .	0	0
	-----	-----
Subtotal (B)	43,059	0
<b>Total Part I Tax Payable . . . . . (A) - (B) = (C)</b>	86,513	0
<b>Add:</b> Part I.3 Tax . . . . . (D)	45,259	0
Part VI Tax . . . . . (D.1)	0	0
Part VI.I Tax . . . . . (D.2)	0	0
Provincial/Territorial Tax . . . . . (E)	0	0
	-----	-----
<b>Total</b>		
Parts I, I.3, VI, VI.I and		
Provincial/Territorial Tax . . . . . = (F)	131,772	0
<b>Adjustment for Short Taxation Years:</b>		
x 365/# of days in year if < 365 . . . . . 365 / 365	365 / 365	365 / 0
(G)	131,772	0
<b>Less - Estimated Current Year Credits:</b>		
Investment Tax Credit Refund . . . . .	0	0
Dividend Refund . . . . .	0	0
Federal Capital Gains Refund . . . . .	0	0
Provincial and Territorial Capital		
Gains Refund . . . . .	0	0
NRO Allowable Refund per Sch. 26 . . . . .	0	0
Tax Withheld at Source . . . . .	0	0
Other Estimated Credits . . . . .	0	0
	-----	-----
<b>Total Estimated Current Year Credits . . . . . (H)</b>	0	0
<b>INSTALMENT BASE AMOUNT . . . . . (G) - (H) = (I)</b>	131,772 =====	0 =====

**Indicate Instalment Method Chosen [1-3]: 1**

1. 1st Instalment Base Method
2. Combined 1st and 2nd Instalment Base Method
3. Estimated Tax Method

Do not used the quarterly payment even if applicable "X" to continue monthly payments . . . . . [     ]

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.)    1

**1. 1st INSTALMENT BASE METHOD**

1st Instalment Base Amount (Amt (I) Below) . . . . .	133,797	/	12	=	11,150
					-----
				Monthly Instalments Required	11,150
				Quarterly Instalments Required	0

**2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD**

2nd Instalment Base Amount:					
<b>Indicate:</b>	Income Tax, C.M.T. . . . .	0			
	Capital Tax, Prem. Tax. . . . .	97,427			
		-----			
	Total	97,427	/	12	= (A) 8,119
					-----
	Each of the first 2 Instalment Payments . . . . .			= (B)	8,119
	Total tax from (I) below . . . . .	133,797			
	<b>Less:</b> Amount (A) above x 2 . . . . .	16,238			
		-----			
		117,559	/	10	= 11,756
					-----
	Each of the remaining 10 Instalment Payments . . . . .			=	11,756
				Quarterly Instalments Required	0

**3. ESTIMATED TAX METHOD**

Instalment Base Amount (Amt (I) Below) . . . . .	0	/	12	=	0
					-----
				Monthly Instalments Required	0
				Quarterly Instalments Required	0



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 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.

MCBS Annual Return Required? (Refer to Guide)

Yes ☒ No ☐

Page 1 of 24

Ministry Use

Corporation's Legal Name (including punctuation) and Mailing Address

ESSEX POWERLINES CORPORATION

360 FAIRVIEW AVENUE WEST SUITE 218

ESSEX

ON CA N8M-1Y1

Has address changed since last filed CT23 Return? Yes ☐

Date of Change

year month day

Registered/Head Office Address

360 FAIRVIEW AVENUE WEST

ESSEX

ON CA N8M-1Y1

Location of Books and Records

360 FAIRVIEW AVENUE WEST

ESSEX

ON CA N8M-1Y1

Name of person to contact regarding this CT23 Return

RICHARD DIMMEL

Telephone No.

519-776-8900

Fax No.

5197767059

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

(MCBS)

ON CA -

Former Corporation Name (Extra-Provincial Corporations only)

(Not Applicable) ☒

(MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s)

0

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

☒ No change

Ontario Corporations Tax Account No. (MOF)

1800084

This CT23 Return covers the Taxation Year

Start year month day 2002-01-01

End year month day 2002-12-31

Date of Incorporation or Amalgamation

year month day 2000-04-18

Ontario Corporation No. (MCBS)

1413911

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.

If applicable, enter: 870066529RC0001

Jurisdiction Incorporated

ONTARIO

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

Commenced year month day

Ceased year month day

(Not Applicable) ☒

Preferred Language/Langue de préférence

English ☒ French ☐  
anglais 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)

RICHARD DIMMEL

Title: ☐ Director ☐ Officer ☒ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

ESSEX POWERLINES CORPORATION

1800084

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 ☒ Canadian-controlled Private (CCPC) all year  
(Generally a private corporation of which  
50% or more shares are owned by  
Canadian residents.) (fed.s.125(7)(b))

2 ☐ Other Private

3 ☐ Public

4 ☐ Non-share Capital

5 ☐ Other (specify)

Share Capital with full voting rights  
owned by Canadian Residents (nearest percent)

100%

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office no.)

if applicable, enter

Ontario Employer Health Tax Account No.  
(Use Head Office no.)

if applicable, enter

Specify major business activity

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

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

Was the corporation inactive throughout the taxation year?

Yes No  
☐ ☒

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

☒ ☐

Are you requesting a refund due to: the Carry-back of a Loss?

☐ ☒

an Overpayment?

☐ ☒

a Specified Refundable Tax Credit?

☐ ☒

Are you a Member of a Partnership or Joint Venture?

☐ ☒

ESSEX POWERLINES CORPORATION

1800084

2002-12-31

DOLLARS ONLY

## 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** **736,753.**

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** **405,536.**

Net capital losses From **715** **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** **331,217.**

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** **331,217.**

## Number of Days in Taxation Year

Taxable Income	From <b>10</b> (or <b>20</b> if applicable)	331,217.	X	30	100.0000%	X	15.5000%	Days before May 2, 2000				Total Days	= +		
								22	0	+	73	365			
Ontario Allocation														<b>23</b>	<b>0.</b>
From <b>10</b> (or <b>20</b> if applicable)		331,217.	X	30	100.0000%	X	14.5000%	24	0	+	73	365	= +	<b>25</b>	<b>0.</b>
Ontario Allocation															
From <b>10</b> (or <b>20</b> if applicable)		331,217.	X	30	100.0000%	X	14.0000%	26	0	+	73	365	= +	<b>27</b>	<b>0.</b>
Ontario Allocation															
From <b>10</b> (or <b>20</b> if applicable)		331,217.	X	30	100.0000%	X	12.5000%	28	365	+	73	365	= +	<b>29</b>	<b>41,402.</b>
Ontario Allocation															
From <b>10</b> (or <b>20</b> if applicable)		331,217.	X	30	100.0000%	X	12.5000%	31	0	+	73	365	= +	<b>32</b>	<b>0.</b>
Ontario Allocation															
<b>Income Tax Payable</b> (before deduction of tax credits)	<b>23</b>							<b>25</b>						<b>27</b>	<b>41,402.</b>

## Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year?

(X) ☒ Yes ☐ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) ..... **50** **736,753.**

Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) + **51** **331,217.**

Add: Losses of other years deducted for federal purposes (fed.s.111) + **52** **405,536.**

Subtract: Losses of other years deducted for Ontario purposes (s.34) - **53** **405,536.**

Federal Business limit for the year before the application of fed.s.125(5.1) ..... **54** **331,217.**

(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	X From	55	200,000	+	200,000	=	42		0.
80,000 X	X From	55	200,000	+	200,000	=	43		80,000.
120,000 X	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%** X **56** **280,000.** = **60** **280,000.**

\* Ontario Allocation

Least of **50**, **54** or **45**

\* Note: Ontario Allocation for IDSBC purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)). continued on Page 5

ESSEX POWERLINES CORPORATION

1800084

2002-12-31

DOLLARS ONLY

**Income Tax** *continued from Page 4*

## Calculation of IDSBC Rate

		Number of Days in Taxation Year			
		Days after Dec 31, 1998 and before Jan 1, 2000	Total Days		
.....	7.00 %	74	0 + 73 365	= +	75 .0000.
		Days after Dec 31, 1999 and before Oct 1, 2001	Total Days		
.....	7.50 %	76	0 + 73 365	= +	77 .0000.
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
.....	6.50 %	28	365 + 73 365	= +	79 6.5000.
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
.....	7.00 %	31	0 + 73 365	= +	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) + 80 331,217.

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

Name of associated corporation (Canadian & foreign)  
(if insufficient space, attach schedule)

Ontario Corporations Tax  
Account No. (MOF)  
(if applicable)

Taxation Year End

Taxable Income  
(if loss, enter nil)

See attached				+ 82	242,830.
				+ 83	.
				+ 84	.
Aggregate Taxable Income	80 + 82 + 83 + 84, etc.			= 85	574,047.

		Number of Days in Taxation Year			
		Days before Jan 1, 2001	Total Days		
Subtract: 200,000	X	558	0 + 73 365	= +	111 0.
		Days after Dec 31, 2000 and before Oct 1, 2001	Total Days		
240,000	X	26	0 + 73 365	= +	112 0.
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
280,000	X	28	365 + 73 365	= +	113 280,000.
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
320,000	X	31	0 + 73 365	= +	115 0.
		111 + 112 + 113 + 115		=	280,000.
(If negative, enter nil)				= 86	294,047.

## 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 %	74	0 + 73 365	= +	92 .0000
		Days after Dec 31, 1999 and before Oct 1, 2001	Total Days		
.....	5.00 %	76	0 + 73 365	= +	93 .0000
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
.....	4.3330 %	28	365 + 73 365	= +	95 4.3330
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
.....	4.6670 %	31	0 + 73 365	= +	96 .0000

Specified rate of surtax for Taxation Year	92 + 93 + 95 + 96			=	94 4.3330
From 86	294,047.	X From 94	4.3330 %	=	87 12,741.
From 87	12,741.	X From 80	280,000.	+ From 114	280,000.
				=	88 12,741.
Surtax Lesser of 70 or 88				=	100 12,741.

Continued on Page 6

ESSEX POWERLINES CORPORATION

1800084

2002-12-31

DOLLARS ONLY

**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	12,741.	+	From 30	100.0000%
		+	From 78	6.5000%
		=	121	196,015.
Lesser of 56 or 121		+	122	196,015.
120 - 56 + 122		=	130	0.
Taxable Income	.....	+	From 10	331,217.
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	196,015.
Subtract: Taxable Income From 40	331,217.	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	247,232.

**Number of Days in Taxation Year**

Claim		Days before Oct 1, 2001	Total Days	
143	0.	X From 30	100.0000%	X 2.0000% X 152
				0 + 73
				365
				= + 153
				0.
Lesser of 130 or 142				

143	0.	X From 30	100.0000%	X 1.5000% X 28
				0 + 73
				365
				= + 154
				0.
Lesser of 130 or 142				

143	0.	X From 30	100.0000%	X 1.5000% X 31
				0 + 73
				365
				= + 155
				0.
Lesser of 130 or 142				

M&amp;P claim for taxation year 153 + 154 + 155 = 180 0.

\* Note: Ontario Allocation for M&amp;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 &amp; 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 35,943.

continued on Page 7

ESSEX POWERLINES CORPORATION

1800084

2002-12-31

DOLLARS ONLY

**Income Tax** continued from Page 6**Specified Tax Credits** (Refer to Guide)**Ontario Innovation Tax Credit (OITC) (s.43.3)** Applies to research and development in Ontario.Eligible Credit From **5620** OITC Claim Form (Attach original Claim Form)+ **191** 0.**Co-operative Education Tax Credit (CETC) (s.43.4)** Applies to employment of eligible students.Eligible Credit From **5798** Summary Schedule F+ **192** 0.**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)**

Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.

Eligible Credit From **5899** Claim Form Certified by Ontario Film Development Corporation

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

+ **193** 0.**Graduate Transitions Tax Credit (GTTC) (s.43.6)**

Applies to employment of eligible unemployed graduate students.

Eligible Credit From **6598** Summary Schedule GNo. of Graduates From **6598**  
**194** 0+ **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&amp;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** 35,943.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**.



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## 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** 38,233,775.  
 \* Total Revenue of the corporation ..... + **241** 8,342,332.

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

Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total assets	* Total Revenue
See attached			+ <b>243</b> <u>27,608,390.</u>	+ <b>244</b> <u>7,882,228.</u>
			+ <b>245</b> <u>0.</u>	+ <b>246</b> <u>0.</u>
			+ <b>247</b> <u>0.</u>	+ <b>248</b> <u>0.</u>
Aggregate Total Assets	<b>240</b> + <b>243</b> + <b>245</b> + <b>247</b> , etc.		= <b>249</b> <u>65,842,165.</u>	
Aggregate Total Revenue	<b>241</b> + <b>244</b> + <b>246</b> + <b>248</b> , etc.			= <b>250</b> <u>16,224,560.</u>

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** 471,617. X From **30** 100.0000 % X 4% = **276** 18,865.  
 If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) ..... - **277** 0.

Subtract: Income Tax ..... - From **190** 35,943.

**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** 35,943.

Gross CMT Payable ..... + From **276** 18,865.

Subtract: Foreign Tax Credit for CMT purposes ..... - From **277** 0.

If **276** - **277** is negative, enter NIL in **290** ..... = 18,865. - **290** 18,865.

**Income Tax eligible for CMT Credit** ..... = **300** 17,078.

B. Income tax (after deduction of specified credits) ..... + From **230** 35,943.

Subtract: CMT credit used to reduce income taxes ..... - **310** 0.

**Income Tax** ..... = **320** 35,943.

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**.

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**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]	5.
Retained earnings (If deficit, deduct)	+ [351]	162,564.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	+ [352]	0.
Loans and advances (Attach schedule)	+ [353]	25,014,571.
Bank loans	+ [354]	6,600,000.
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]	0.
Other reserves not allowed as deductions for income tax purposes (Attach schedule)	+ [361]	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s))	+ [362]	0.
<b>Subtotal</b>	= [370]	31,777,140.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.)	- [371]	-5,503,511.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	- [372]	0.
<b>Total Paid-up Capital</b>	= [380]	37,280,651.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	- [381]	0.
<b>Net Paid-up Capital</b>	= [390]	37,280,651.

**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.
<b>Total Eligible Investments</b>	= [410]	0.

continued on Page 10

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**Capital Tax** *continued from Page 9***Total Assets**

Total Assets per balance sheet	+	420	38,233,775.
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.
<b>Total Assets as adjusted</b>	=	430	38,233,775.
Amounts in 380 and 381 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	-5,503,511.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
<b>Total Assets</b>	=	450	43,737,286.

<b>Investment Allowance</b>	( 410 + 450 ) × 390	Not to exceed 410	=	460	0.
<b>Taxable Capital</b>	390 - 460		=	470	37,280,651.

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	8,342,332.
<b>Total Assets</b> (as adjusted)	From 430	38,233,775.

**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*

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**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:

From 470

\$2,400,000 - 0. X 1.5% = - 492 0.

( 504 = 490 - 492 ) = 504 0. X From 30 100.0000% X 0 = + 505 0.

Ontario Allocation \*\* 365  
(366 if leap year)

Days in taxation year after May 4, 1999 and before Jan 1, 2000 552

If 2,400,000 - 470 is negative, enter NIL in 492

**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:

From 470

\$2,800,000 - 0. X 0.75% = - 493 0.

( 506 = 490 - 493 ) = 506 0. X From 30 100.0000% X 0 = + 507 0.

Ontario Allocation \*\* 365  
(366 if leap year)

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553

If 2,800,000 - 470 is negative, enter NIL in 493

**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:

From 470

\$3,200,000 - 0. X 0.5% = - 495 0.

( 509 = 490 - 495 ) = 509 0. X From 30 100.0000% X 0 = + 522 0.

Ontario Allocation \*\* 365  
(366 if leap year)

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 554

If 3,200,000 - 470 is negative, enter NIL in 495

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

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose taxable capital is \$5,000,000 or less and that is not associated, is NIL. .... + 0.

**Total Capital Tax for the taxation year** 505 + 507 + 522 ..... = 508 0.

Transfer to 543 on page 13 and complete the return from that point.

**B6** If 470 exceeds \$5,000,000, complete the following calculations and transfer the amount from 508 to 543 and complete the return from that point.

**Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001**

(a) From 470 0. X From 30 100.0000% X .3000% X 0 ..... = + 502 0.

Ontario Allocation \*\* 365  
(366 if leap year)

Days in taxation year before Oct 1, 2001 559

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

(b) From 470 0.

Exemption - 0.

= 471 0. X From 30 100.0000% X .3000% X 365 ..... = + 523 0.

Ontario Allocation \*\* 365  
(366 if leap year)

Days in taxation year after Sept 30, 2001 560

**Total Capital Tax for the taxation year** 502 + 523 ..... = 508 0.

Transfer to 543 on page 13 and complete the return from that point.

\*\* If floating taxation year, refer to Guide.

continued on Page 12

## 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 ☒ (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation ..... + From ☐ 470 37,280,651.

#### Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Names of associated corporations or related partners having a permanent establishment in Canada

See attached ..... + ☐ 531 2,698,578.  
 Aggregate Taxable Capital ☐ 470 + ☐ 531 ..... = ☐ 540 39,979,229.

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 37,280,651. + From ☐ 540 39,979,229. x 5,000,000 ..... = ☐ 541 4,662,502.  
*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

..... + ☐ 514 0.  
 Total Aggregate Taxable Capital ☐ 540 + ☐ 514 ..... = ☐ 520 39,979,229.

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 37,280,651. + 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.

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**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:

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( **504** = **490** - **492** ) = **504** 0. X From **30** 100.0000% X **552** 0. = + **505** 0.Ontario Allocation \*\* **365**  
(366 if leap year)**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:

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( **506** = **490** - **493** ) = **506** 0. X From **30** 100.0000% X **553** 0. = + **507** 0.Ontario Allocation \*\* **365**  
(366 if leap year)**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:

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( **509** = **490** - **495** ) = **509** 0. X From **30** 100.0000% X **557** 0. = + **522** 0.Ontario Allocation \*\* **365**  
(366 if leap year)**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** 37,280,651. X From **30** 100.0000% X .3000% X **555** 0. = + **502** 0.

Days in taxation year before Oct 1, 2001

Ontario Allocation

\*\* **365**  
(366 if leap year)**Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001**(b) From **470** 37,280,651.  
From **541** (section C) - 4,662,502.  
= **471** 32,618,149. X From **30** 100.0000% X .3000% X **560** 365 = + **523** 97,854.

Days in taxation year after Sept 30, 2001

Ontario Allocation

\*\* **365**  
(366 if leap year)Total Capital Tax for the taxation year **502** + **523**= **508** 97,854.

\*\* 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** 97,854.

Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)

= **546** 0.Capital Tax **543** - **546**= **550** 97,854.

continued on Page 14

Transfer to Page 18

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**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.)

$$\begin{array}{l} \text{565 } 0. \times 0.00\% \times \text{From } 30 \text{ Ontario Allocation} \times \frac{\text{Days in taxation year}}{555 \text{ } 0 + \text{** } 0 \text{ (366 if leap year)}} = + \text{569 } 0. \\ \text{Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1} \end{array}$$

$$\begin{array}{l} \text{570 } 0. \times \text{571 } 0.00\% \times \text{From } 30 \text{ Ontario Allocation} \times \frac{\text{Days in taxation year}}{555 \text{ } 0 + \text{** } 0 \text{ (366 if leap year)}} = + \text{574 } 0. \\ \text{Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount} \end{array}$$

$$\text{Capital Tax for Financial Institutions – other than Credit Unions (before Sections II)} \quad \text{569} + \text{574} = \text{575 } 0.$$

\*\* 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.)

$$\text{Allowable Credit for Eligible Investments} \dots \dots \dots - \text{585 } 0.$$

Financial institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

$$\text{Capital Tax – Financial Institutions} \quad \text{575} - \text{585} \dots \dots \dots = \text{588 } 0.$$

Transfer to **543** on Page 13

**Premium Tax (s.74.2 & 74.3) (Refer to Guide)**

$$\begin{array}{l} \text{(1) Uninsured Benefits Arrangements} \dots \dots \dots \text{587 } 0. \times 2\% \dots \dots = \text{588 } 0. \\ \text{Applies to Ontario-related uninsured benefits arrangements.} \end{array}$$

(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.

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} \dots \dots \dots - \text{589 } 0.$$

$$\text{Premium Tax} \quad \text{588} - \text{589} \dots \dots \dots = \text{590 } 0.$$

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# 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

+ 600 736,753.

Transfer to page 16

## Add:

Federal capital cost allowance	+ 601	1,169,412.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non allowable reserves. Balance beginning of year	+ 604	0.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	0.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

## Number of Days in Taxation Year

		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 = 1,169,412. 640 1,169,412.

Transfer to page 16



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# Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 15

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From  $\pm$  600 736,753.

Subtotal of Additions ..... From  $\pm$  640 1,169,412.

**Deduct:**

Ontario capital cost allowance ..... + 650 1,169,412.

Ontario cumulative eligible capital deduction ..... + 651 0.

Federal taxable capital gain ..... + 652 0.

Ontario non-allowable reserves. Balance beginning of year ..... + 653 0.

Ontario allowable reserves. Balance end of year ..... + 654 0.

Federal non-allowable reserves. Balance end of year ..... + 655 0.

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:**

$$\begin{array}{l} \text{From } \boxed{662} \quad 0. \times \frac{100}{\boxed{30}} = \boxed{663} \quad 0. \\ \text{Ontario Allocation} \end{array}$$

**Workplace Child Care Tax Incentive: (Applies to qualifying expenditures incurred after May 5, 1998.)**

$$\begin{array}{l} \text{Qualifying expenditures: } \boxed{665} \quad 0. \times 30.00\% \times \frac{100}{\boxed{30}} = \boxed{666} \quad 0. \\ \text{Ontario Allocation} \end{array}$$

**Workplace Accessibility Tax Incentive: (Applies to qualifying expenditures incurred after July 1, 1998.)**

$$\begin{array}{l} \text{Qualifying expenditures: } \boxed{667} \quad 0. \times 100.00\% \times \frac{100}{\boxed{30}} = \boxed{668} \quad 0. \\ \text{Ontario Allocation} \end{array}$$

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)**

$$\begin{array}{l} \text{Qualifying expenditures: } \boxed{670} \quad 0. \times 30.00\% \times \frac{100}{\boxed{30}} = \boxed{671} \quad 0. \\ \text{Ontario Allocation} \end{array}$$

**Educational Technology Tax Incentive: (Applies to qualifying amounts incurred after May 2, 2000.)**

$$\begin{array}{l} \text{Qualifying expenditures: } \boxed{672} \quad 0. \times 15.00\% \times \frac{100}{\boxed{30}} = \boxed{673} \quad 0. \\ \text{Ontario Allocation} \end{array}$$

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**

$$\boxed{650} \text{ to } \boxed{660} + \boxed{674} + \boxed{661} + \boxed{663} + \boxed{666} + \boxed{668} + \boxed{671} + \boxed{673} + \boxed{678} + \boxed{679} + \boxed{664} = 1,169,412. \quad \boxed{680} \quad 1,169,412.$$

$$\text{Net income (loss) for Ontario Purposes } \boxed{600} + \boxed{640} - \boxed{680} = \boxed{690} \quad 736,753.$$

Transfer to Page 4

ESSEX POWERLINES CORPORATION

1800084

2002-12-31

DOLLARS ONLY

## 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)
<b>Balance at Beginning of Year</b>	700 (2) 405,536	710 (2) 0	720 (2) 0	730 0	740 0	750 0
<b>Add:</b>						
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
<b>Subtotal</b>	703 0	713 0	723 0	733 0	743 0	753 0
<b>Subtract:</b>						
Utilized during the year to reduce taxable income	704 405,536	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	
<b>Subtotal</b>	707 405,536	717 0	727 0	737 0	747 0	757 0
<b>Balance at End of Year</b>	709 (9) 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 from 111 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
<b>Total</b>	829 0	839 0	849 0	869 0	889 0

ESSEX POWERLINES CORPORATION

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2002-12-31

DOLLARS ONLY

**Request for Loss Carry-Back (s.80(16))**

**Applies** to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance**.

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

**Application of Losses**

Total amount of loss

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	
ii) 2nd preceding	902	
iii) 1st preceding	903	
Total loss to be carried back		

Balance of loss available for carry-forward

Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
910	920	930	940
0	0	0	0
911	921	931	941
0	0	0	0
912	922	932	942
0	0	0	0
913	923	933	943
0	0	0	0
From 706	From 716	From 726	From 736
0	0	0	0
919	929	939	949
0	0	0	0

**Summary**

Income tax	+ From 230 or 320	35,943.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	97,854.
Premium Tax	+ From 590	0.
Total Tax Payable	= 950	133,797.
Subtract: Payments	- 980	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	133,797.
If payment due	Enclosed * 990	133,797.
If overpayment: Refund (Refer to Guide)	= 975	0.
Apply to	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)

RICHARD DIMMEL

Title

VP of Finance

Full Residence Address

Signature

Date

2003-03-18

**Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.**

ESSEX POWERLINES CORPORATION

1800084

2002-12-31

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] 567,482.

## Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes	.....	+	<u>2101</u>	<u>0.</u>
Provision for deferred income taxes (credits)	.....	+	<u>2102</u>	<u>0.</u>
Equity income from corporations	.....	+	<u>2103</u>	<u>0.</u>
Share of partnership(s)/joint venture(s) income	.....	+	<u>2104</u>	<u>0.</u>
Dividends received/receivable deductible under fed.s.112	.....	+	<u>2105</u>	<u>0.</u>
Dividends received/receivable deductible under fed.s.113	.....	+	<u>2106</u>	<u>0.</u>
Dividends received/receivable deductible under fed.s.83(2)	.....	+	<u>2107</u>	<u>0.</u>
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	+	<u>2108</u>	<u>0.</u>

Subtotal = [2109] 0.

## Add (to extent reflected in net income/loss):

Provision for current taxes	+	[2110]	257,161.
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 = [2115] 257,161.

## 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) = [2128] 0.

Subtotal (Subtractions) = [2129] 0.

\*\* Other adjustments ± [2130] 0.

Subtotal ± [2100] - [2109] + [2115] + [2128] - [2129] ± [2130] = [2131] 824,643.

\*\* 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] 824,643.

Deduct: \* CMT losses: pre-1994 Loss + From [2210] 0.  
 \* CMT losses: other eligible losses + From [2211] 353,026.  
 = [2214] 353,026.

\* CMT losses applied cannot exceed adjusted net income or increase a loss

\*\* Retain calculations. Do not submit with this tax return.

CMT Base = [2135] 471,617.

Transfer to CMT Base on Page 8

ESSEX POWERLINES CORPORATION

1800084

2002-12-31

DOLLARS ONLY

## Corporate Minimum Tax (CMT)

## Schedule B: Continuity of CMT Losses Carried Forward



Balance at Beginning of year (1), (2)	.....	+	2201	353,026.
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 <input type="checkbox"/> Yes	Wind-up (x) 2206 <input type="checkbox"/> Yes			
Subtotal	.....	=	0.	+
Adjustments (attach schedule)	.....	+	2208	0.
CMT losses available	2201 + 2207 ± 2208	.....	=	2209 353,026.
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	353,026.
Losses expired during the year	.....	+	2212	0.
Subtotal	.....	=	353,026.	-
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 2213 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	2000-12-31	2260 0	2280 0
2241	2001-12-31	2261 0	2281 0
2242	2002-12-31	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.

DOLLARS ONLY

# Corporate Minimum Tax (CMT)

## Schedule D: Continuity of CMT Credit Carryovers



<b>Balance at Beginning of year (1)</b>	.....	+	<b>2301</b>	0.
<b>Add:</b> Current year's CMT Credit ( <b>280</b> on page 8. If negative, enter NIL) .....	.....	+	From <b>280</b>	0.
CMT Credit Carryovers from predecessor corporations (2) .....	.....	+	<b>2302</b>	0.
Amalgamation (x) <b>2303</b> <input type="checkbox"/> Yes Wind-up (x) <b>2304</b> <input type="checkbox"/> Yes .....	.....	=	0.	0.
<b>Subtotal</b> .....	.....	+	<b>2305</b>	0.
<b>Adjustments (Attach schedule)</b> .....	.....	±	<b>2306</b>	0.
<b>CMT credit carryover available</b> <b>2301</b> + <b>2305</b> ± <b>2306</b> .....	.....	=	<b>2307</b>	0.
<i>Transfer to Page 8</i>				
<b>Subtract:</b> CMT Credit utilized during the year to reduce income tax (Page 8) .....	.....	+	From <b>310</b>	0.
CMT Credit expired during the year .....	.....	+	<b>2308</b>	0.
<b>Subtotal</b> .....	.....	=	0.	0.
<b>Balance at End of Year (3)</b> <b>2307</b> - <b>2309</b> .....	.....	=	<b>2310</b>	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)
<b>2340</b>	2000-12-31	<b>2360</b> 0	<b>2380</b> 0
<b>2341</b>	2001-12-31	<b>2361</b> 0	<b>2381</b> 0
<b>2342</b>	2002-12-31	<b>2362</b> 0	<b>2382</b> 0
<b>2343</b>		<b>2363</b> 0	<b>2383</b> 0
<b>2344</b>		<b>2364</b> 0	<b>2384</b> 0
<b>2345</b>		<b>2365</b> 0	<b>2385</b> 0
<b>2346</b>		<b>2366</b> 0	<b>2386</b> 0
<b>2347</b>		<b>2367</b> 0	<b>2387</b> 0
<b>2348</b>		<b>2368</b> 0	<b>2388</b> 0
<b>2349</b>		<b>2369</b> 0	<b>2389</b> 0
<b>Totals</b>		<b>2370</b> 0	<b>2390</b> 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 after December 31, 1998 and before January 1, 2000		Total Days	
4.67%	x 0	/	365	= .0000%

	Days after December 31, 1999 and before January 1, 2001		Total Days	
5.00%	x 0	/	365	= .0000%

	Days after December 31, 2000 and before October 1, 2001		Total Days	
5.00%	x 0	/	365	= .0000%

	Days after September 30, 2001 and before January 1, 2003		Total Days	
4.3330%	x 365	/	365	= 4.3330%

	Days after December 31, 2002 and before January 1, 2004		Total Days	
4.6670%	x 0	/	365	= .0000%

Specified Rate of Surtax for the Taxation Year . . . . .	=	4.3330%
		=====



**ESSEX POWERLINES CORPORATION**

Corp. Tax Acct. No. : 1800084

CT23-Supp.

Year Ended:

2002-12-31

**ONTARIO CT23 SUPPLEMENTARY - LIST OF ASSOCIATED CORPORATIONS**

Name of Associated Corporation	Ontario Corp.		Taxable Capital	Total Assets (Note 1)	Total Revenue (Note 1)	Taxable Income (Note 2)	No Perm Estab in Canada
	Tax Number	Taxation Year end					
ESSEX ENERGY CORPORATION	1800081	2002-12-31	620,267	826,364	193,092	0	
ESSEX POWER SERVICES CORP	1800083	2002-12-31	1,918,726	6,278,542	6,739,331	242,830	
ESSEX POWER CORPORATION	1800082	2002-12-31	159,585	20,503,484	949,805	0	
<b>TOTALS</b>			2,698,578	27,608,390	7,882,228	242,830	

**Note 1:** Enter total assets and total revenues only if "Corporate Minimum Tax (CMT)" is applicable.

**Note 2:** Enter Taxable Income amounts only if "Surtax on a CCPC" is applicable  
(i.e. IDSBC is applicable).

**Ontario CT23 Supplementary**

CCH Canadian Ltd. - Corporate Taxprep, 2002 CT23, ver. 1-2003

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1 Class number	2 Ontario 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)	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)	8 Reduced unde- preciated capital cost (column 6 minus column 7)	9 CCA rate & allowance	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	28,422,193	1,182,098	0	0	29,604,291	591,049	29,013,242	4	0	0	1,160,530	28,443,761
10	18,504	22,204	0	0	40,708	11,102	29,606	30	0	0	8,882	31,826
Total	28,440,697	1,204,302	0	0	29,644,999	602,151	29,042,848		0	0	1,169,412	28,475,587
Enter in boxes [650]									[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.



## T2 CORPORATION INCOME TAX RETURN

200

Code 0301

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

CLIENT'S COPY

Identification	
Business Number (BN)	001 870066529RC0001
Corporation's name	
002 ESSEX POWERLINES CORPORATION	
Has the corporation changed its name since the last time we were notified?	003 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
If Yes, do you have a copy of the articles of amendment?	
004 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>	
Address of head office	
Has the address changed since the last time we were notified?	
010 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
011 360 FAIRVIEW AVENUE WEST	
012 Suite 218	
City	Province, territory, or state
015 ESSEX	016 ON
Country (other than Canada)	Postal code/ZIP code
017	018 N8M-3G4
Mailing address (if different from head office address)	
Has the address changed since the last time we were notified?	
020 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
021 c/o	
022 360 FAIRVIEW AVENUE WEST	
023 Suite 218	
City	Province, territory, or state
025 ESSEX	026 ON
Country (other than Canada)	Postal code/ZIP code
027	028 N8M-3G4
Location of books and records	
031 360 FAIRVIEW AVENUE WEST	
032 Suite 218	
City	Province, territory, or state
035 ESSEX	036 ON
Country (other than Canada)	Postal code/ZIP code
037	038 N8M-3G4
040 Type of corporation at the end of the taxation year	
1 <input checked="" type="checkbox"/> Canadian-controlled private corporation (CCPC)	
2 <input type="checkbox"/> Other private corporation	
3 <input type="checkbox"/> Public corporation	
4 <input type="checkbox"/> Corporation controlled by a public corporation	
5 <input type="checkbox"/> 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	061 2003-12-31
YYYY/MM/DD	YYYY/MM/DD
Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year?	
063 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
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 <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
Is this the first year of filing after:	
Incorporation?	070 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Amalgamation?	071 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
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 <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
If yes, complete and attach Schedule 24.	
Is this the final taxation year before amalgamation?	
076 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
Is this the final return up to dissolution?	
078 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
Is the corporation a resident of Canada?	
080 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/> If No, give the country of residence.	
081	
Is the non-resident corporation claiming an exemption under an income tax treaty?	
082 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
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 <input type="checkbox"/> Exempt under paragraph 149(1)(e) or (l)	
2 <input type="checkbox"/> Exempt under paragraph 149(1)(j)	
3 <input type="checkbox"/> Exempt under paragraph 149(1)(l)	
4 <input type="checkbox"/> 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 <input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation?	160 <input checked="" type="checkbox"/>	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	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 <input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
42 Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172 <input type="checkbox"/>	
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 <input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	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 <input type="checkbox"/>	2
82, 104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	204 <input type="checkbox"/>	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 <input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	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 <input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210 <input type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
150 Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
118 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
155 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
121 Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232 <input type="checkbox"/>	T661
124 Is the corporation subject to gross Part I.3 tax?	233 <input checked="" type="checkbox"/>	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 <input checked="" type="checkbox"/>	36
124 Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
128 Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	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 <input type="checkbox"/>	43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
125 Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131

**Attachments – continued from page 2**

Guide item	Yes	Schedule
130 Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *
153 Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
— Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
— Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
— Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
— Is the corporation claiming the BC mining exploration tax credit?	<input type="checkbox"/>	421
— Is the corporation claiming the BC SR&ED tax credit?	<input type="checkbox"/>	T666

**Additional information**

Is the corporation inactive? 280 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) 281 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? 282  
(Only complete if Yes was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☒

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	LDC - BILL & COLLECT	285	100%
286		287	0%
288		289	0%

Did the corporation immigrate to Canada during the taxation year? 291 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? 292 1 Yes ☐ 2 No ☒

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF 300 1,230,464 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
<b>Subtotal</b>		0 B

Subtotal (amount A minus amount B) (if negative, enter "0") 1,230,464 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 1,230,464

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) 1,230,464 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** 1,230,464 ATaxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632\* on page 7, **minus** 3 times the amount at line 636\*\* on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... **405** 1,230,464 B**Calculation of the business limit:**

For all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003	<u>0</u>	=	<u>0</u>	1
		Number of days in the taxation year	365			
225,000	x	Number of days in the taxation year in 2003	<u>365</u>	=	<u>225,000</u>	2
		Number of days in the taxation year	365			
250,000	x	Number of days in the taxation year in 2004	<u>0</u>	=	<u>0</u>	3
		Number of days in the taxation year	365			
275,000	x	Number of days in the taxation year in 2005	<u>0</u>	=	<u>0</u>	3.1
		Number of days in the taxation year	365			

Add amounts at lines 1, 2, 3, and 3.1 225,000 4Business limit (see notes 1 and 2 below) ..... **410** 225,000 C**Notes:** 1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

**Business limit reduction:**Amount C 225,000 x 415 \*\*\* 0 D = 11,250 0 EReduced business limit (amount C minus amount E) (if negative, enter "0") ..... **425** 225,000 F**Small business deduction** - 16.00% of whichever amount is least: A, B, C, or F ..... **430** 36,000 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) ..... 225,000 x 300,000 / line 4 above = 300,000 ANet active business income (amount from line 400) \* ..... 1,230,464 BTaxable income from line 360 on page 3 **minus** 3 times the amount at line 636\*\* on page 7, and **minus** any amount that, because of federal law, is exempt for Part I Tax ..... 1,230,464 C**Deduct:**Aggregate investment income (amount from line 440 of page 6) ..... 0 DAmount C minus amount D (if negative, enter "0") ..... 1,230,464 1,230,464 EAmount A, B, or E above, whichever is less ..... 300,000 FAmount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = 0 GAmount QQ from Part 13 of Schedule 27 ..... 0 HTaxable resource income from line 435 of page 5 ..... 0 IAmount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) ..... 0 JAmount on line 400, 405, 410, or 425 of the small business deduction, whichever is less ..... 225,000 KTotal of amounts G, H, I, J, and K ..... 225,000 225,000 LAmount F minus amount L (if negative, enter "0") ..... 75,000 M**Accelerated tax reduction** - 7% of amount M (enter amount N on line 637 of page 7) ..... 5,250 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		435		0 A	
Amount A	0	x	Number of days in the taxation year in 2003 365	x 1% =	0 B
			Number of days in the taxation year 365		
Amount A	0	x	Number of days in the taxation year in 2004 0	x 2% =	0 C
			Number of days in the taxation year 365		
Amount A	0	x	Number of days in the taxation year in 2005 0	x 3% =	0 C.1
			Number of days in the taxation year 365		
<b>Resource deduction</b> - total of amounts B, C, and C.1 (enter amount D on line 10 of page 7)		438		0 D	

**General tax reduction for Canadian-controlled private corporations****Canadian-controlled private corporations throughout the taxation year**

Taxable income from line 360 on page 3		1,230,464 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		225,000 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)		75,000 L	
Total of amounts F, G, H, I, J, K, and L		300,000	300,000 M
Amount E minus amount M (if negative, enter "0")			930,464 N
Amount N	930,464	x	Number of days in the taxation year in 2001 0
			Number of days in the taxation year 365
			x 1% =
Amount N	930,464	x	Number of days in the taxation year in 2002 0
			Number of days in the taxation year 365
			x 3% =
Amount N	930,464	x	Number of days in the taxation year in 2003 365
			Number of days in the taxation year 365
			x 5% =
Amount N	930,464	x	Number of days in the taxation year after 2003 0
			Number of days in the taxation year 365
			x 7% =
<b>General tax reduction for Canadian-controlled private corporations</b> - total of amounts year 2001, O, P, and Q (enter amount R on line 638 of page 7)		46,523 R	

**General tax reduction****Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation**

Taxable income from line 360 of page 3		0 S	
Amount Z from Part 9 of Schedule 27	0 x 100/7	0 T	
Amount QQ from Part 13 of Schedule 27		0 U	
Taxable resource income from line 435 above		0 V	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 W	
Total of amounts T, U, V, and W		0	0 X
Amount S minus amount X (if negative, enter "0")			0 Y
Amount Y	0	x	Number of days in the taxation year in 2001 0
			Number of days in the taxation year 365
			x 1% =
Amount Y	0	x	Number of days in the taxation year in 2002 0
			Number of days in the taxation year 365
			x 3% =
Amount Y	0	x	Number of days in the taxation year in 2003 365
			Number of days in the taxation year 365
			x 5% =
Amount Y	0	x	Number of days in the taxation year after 2003 0
			Number of days in the taxation year 365
			x 7% =
<b>General tax reduction</b> - total of amounts year 2001, Z, AA, and BB (enter amount CC on line 639 of page 7)		0 CC	

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

Aggregate investment income ..... 440 ..... 0 x 26 2/3% = ..... 0 A  
 (amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 ..... 0

**Deduct:**

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

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

Taxable income from line 360 on page 3 ..... 1,230,464

**Deduct:**

Amount on line 400, 405, 410, or 425 on page 4, whichever is less ..... 225,000

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

225,000 ..... 225,000  
1,005,464 x 26 2/3% = ..... 268,124 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 270,538

**Deduct:** Corporate surtax from line 600 of page 7 ..... 13,781

Net amount ..... 256,757 ..... 256,757 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** 467,576 A

**Corporate surtax calculation**

Base amount from line A above .....	<u>467,576</u>	1
<b>Deduct:</b>		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3 .....	<u>123,046</u>	2
Investment corporation deduction from line 620 below .....	<u>0</u>	3
Federal logging tax credit from line 640 below .....	<u>0</u>	4
Federal qualifying environmental trust tax credit from line 648 below .....	<u>0</u>	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 .....	<u>0</u>	a	}	<u>0</u>	6
28.00% of taxed capital gains .....	<u>0</u>	b			
Part I tax otherwise payable .....	<u>0</u>	c			
(line A plus lines C and D minus line F)					
Total of lines 2 to 6 .....	<u>123,046</u>	7			
Net amount (line 1 minus line 7) .....	<u>344,530</u>	8			

**Corporate surtax** – 4.00% of the amount on line 8 ..... **600** 13,781 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 .....	<u>0</u>	i
Taxable income from line 360 on page 3 .....	<u>1,230,464</u>	
<b>Deduct:</b>		
Amount on line 400, 405, 410, or 425 of page 4, whichever is less .....	<u>225,000</u>	
Net amount .....	<u>1,005,464</u>	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) ..... 481,357 E

**Deduct:**

Small business deduction from line 430 of page 4 .....	<u>36,000</u>	9
Federal tax abatement .....	<b>608</b> <u>123,046</u>	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 .....	<b>616</b> <u>0</u>	
Investment corporation deduction .....	<b>620</b> <u>0</u>	
(taxed capital gains <b>624</b> <u>0</u> ) .....	<b>628</b> <u>0</u>	
Additional deduction – credit unions from Schedule 17 .....	<b>632</b> <u>0</u>	
Federal foreign non-business income tax credit from Schedule 21 .....	<b>636</b> <u>0</u>	
Federal foreign business income tax credit from Schedule 21 .....	<b>637</b> <u>5,250</u>	
Accelerated tax reduction from amount N of page 4 .....	<u>0</u>	10
Resource deduction from line 438 of page 5 .....	<b>638</b> <u>46,523</u>	
General tax reduction for CCPCs from amount R of page 5 .....	<b>639</b> <u>0</u>	
General tax reduction from amount CC of page 5 .....	<b>640</b> <u>0</u>	
Federal logging tax credit from Schedule 21 .....	<b>644</b> <u>0</u>	
Federal political contribution tax credit .....		
Federal political contributions <b>646</b> <u>0</u> .....	<b>648</b> <u>0</u>	
Federal qualifying environmental trust tax credit .....	<b>652</b> <u>0</u>	
Investment tax credit from Schedule 31 .....	<u>210,819</u>	

Subtotal ..... 210,819 F

**Part I tax payable** – Line E minus line F (enter amount G on line 700 of page 8) ..... 270,538 G

**Summary of tax and credits****Federal tax**

Part I tax payable from page 7	700	270,538
Part I.3 tax payable from Schedule 33, 34, or 35	704	34,763
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
<b>Total federal tax</b>		<b>305,301</b>

**Add provincial and territorial tax:**Provincial or territorial jurisdiction **750** ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta) **760** 0Provincial tax on large corporations (New Brunswick and Nova Scotia) **765** 0**Total tax payable** **770** **305,301** A**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	0
Canadian film or video production tax credit refund from Form T1131	796	0
Film or video production services tax credit refund from Form T1177	797	0
Tax withheld at source	800	0

Total payments on which tax has been withheld **801** 0Allowable refund for non-resident-owned investment corporations from Schedule 26 **804** 0Provincial and territorial capital gains refund from Schedule 18 **808** 0Provincial and territorial refundable tax credits from Schedule 5 **812** 0Royalties deductible under Syncrude Remission Order **815** 0Tax remitted under Syncrude Remission Order **816** 0Tax instalments paid **840** 0**Total credits** **890** 0 BRefund code **894** 0 Overpayment 0 **Balance (line A minus line B)** **305,301****Direct deposit request**

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information **910** \_\_\_\_\_  
 Branch number

**914** \_\_\_\_\_ **918** \_\_\_\_\_  
 Institution number Account number

If the result is negative, you have an **overpayment**.  
If the result is positive, you have a **balance unpaid**.Enter the amount on whichever line applies.  
We do not charge or refund a difference of less than \$2.**Balance unpaid** **305,301****Enclosed payment** **898** **305,301**

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** DIMMEL Last name in block letters **951** RICHARD First name in block letters **954** VP 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** 2004-03-05  
Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

**956** 519-776-8900  
Telephone number

Is the contact person the same as the authorized signing officer? If No, complete the information below

..... **957** 1 Yes ☒ 2 No ☐**958** \_\_\_\_\_  
Name in block letters**959** \_\_\_\_\_  
Telephone number**Language of correspondence - Langue de correspondance****990** Indicate the language of your choice.  
Indiquer la langue de correspondance de votre choix.

1 English/Anglais

☒ 2 Français/French

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and  
 extraordinary items per financial statements ..... 705,238 A

**Additions:**

Provision for income taxes - current ..... 101 550,749  
 Amortization of tangible assets ..... 104 1,248,891

Subtotal of additions ..... 1,799,640 1,799,640

**Other Additions:**

**Miscellaneous Other Additions:**

Subtotal of Other Additions ..... 199 0 0

**Total Additions** 500 1,799,640 1,799,640

**Deductions:**

Capital cost allowance from Schedule 8 ..... 403 1,176,560

Subtotal of Deductions ..... 1,176,560 1,176,560

**Other Deductions:**

**Miscellaneous Other Deductions:**

700 Ontario capital tax ..... 390 97,854

Subtotal of Other Deductions ..... 499 97,854 97,854

**Total Deductions** 510 1,274,414 1,274,414

**Net income (loss) for income tax purposes** ..... 1,230,464  
 (enter on line 300 on the T2 return) =====

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [101] N

Class	UCC at Beginning	Cost of Additions		Lesser of Cost or	1/2 of	Rate	Recapture of Capital Cost	Terminal	Capital Cost	Undepreciated Capital Cost
No.	of Year	During Year	Adjustments	Proceeds	[203]-[207]	%	Allowance	Loss	Allowance	end of year
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[220]
1	28,443,761	1,308,090	0	0	654,045	4	0	0	1,163,912	28,587,939
10	31,826	20,668	0	0	10,334	30	0	0	12,648	39,846
Total	28,475,587	1,328,758	0	0	664,379		0	0	1,176,560	28,627,785

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name	Ctry of resi- dence	Business Number (Note)	Rela- tion- ship Code	Number	% of	Number	% of	Book
				of common shares owned	of common shares owned	of preferred shares owned	pre- ferred shares owned	value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
<hr/>								
ESSEX ENERGY CORPORATION		870071123RC0001	3		0 0.00		0 0.00	0
ESSEX POWER SERVICES CORP		866121635RC0001	3		0 0.00		0 0.00	0
ESSEX POWER CORPORATION		869535435RC0001	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

# **AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT (2003 and later taxation years)**

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

**Column 1:** Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the "Income Tax Act," not to be associated for purposes of the small business deduction.

**Column 2:** Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

**Column 3:** Enter the code that applies to each corporation:

- 1 - associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 - associated non-CCPC
- 5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation."

**Column 4:** Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

**Column 5:** Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

**Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 times the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A is equal to an amount in one of the following ranges, whichever applies:

- from \$200,001 to \$225,000, if the calendar year to which this agreement applies is 2003;
- from \$225,001 to \$250,000, if the calendar year to which this agreement applies is 2004;
- from \$250,001 to \$275,000, if the calendar year to which this agreement applies is 2005; or
- from \$275,001 to \$300,000, if the calendar year to which this agreement applies is 2006 or after.

**Column 7:** Complete this column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

**Allocation of the business limit**

Date filed (do not use this area) .....  Year Month Day

Enter the calendar year to which the agreement applies .....  Year  
2003

Is this an amended agreement for the above-noted calendar year that

is intended to replace an agreement previously filed by any of

the associated corporations listed below? .....  [Y/N] [ N ]

1	2	3	4	5	6	7
	Business		Business	Percentage	Business	Taxation
Names of associated	Number	Asso-	limit	of the	limit	year end
corporations	of associated	ciation	for the year	business	allocated*	to which
	corporations	code	(before	limit	\$	this
			the			agreement
			allocation)			applies
			\$	%		(YYYY/MM/DD)
<input type="text" value="100"/>	<input type="text" value="200"/>	<input type="text" value="300"/>		<input type="text" value="350"/>	<input type="text" value="400"/>	<input type="text" value="500"/>
ESSEX POWERLINES CORPORATION	870066529RC0001	1	225,000	100.0000	225,000	
See attached			0	.0000	0	
			-----	-----	-----	
			<b>Total</b>	100.0000	225,000A	
				=====	=====	

**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,

the amount to be entered at line 415 of the T2 return is equal to  $0.225\% \times (A - \$10,000,000)$  where, "A"

is the total of taxable capital employed in Canada\*\* of each corporation in the associated group\*\*\*

for its last taxation year ending in the preceding calendar year.

\* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6.  
However, if the corporation's taxation year is less than 51 weeks, prorate the amount in column 6  
by the number of days in the taxation year divided by 365, and enter the result on line 410 of  
the T2 return.

\*\* "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or  
section 181.4 of the "Income Tax Act."

\*\*\* The associated group includes the corporation filing this schedule and each corporation that has  
an "association code" of 1 or 4 in column 3.

1	2	3	4	5	6	7	8
			Business				
			limit	Percentage		Taxation year	
	Business		before	of the	Business	end to which	
Name of associated	Number of	Asso-	the	business	limit	this	Part I.3
corporation	associated	ciation	allo-	limit	allocated	agreement	Tax
[100]	[200]	code	cation	allocated	[400]	applies	
		[300]		[350]		[500]	
ESSEX ENERGY CORPORATION	870071123RC0001	3	0	.0000	0		3,009
ESSEX POWER SERVICES CORP	866121635RC0001	3	0	.0000	0		3,589
ESSEX POWER CORPORATION	869535435RC0001	3	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  
(2000 and later taxation years)**

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before the deduction for surtax credits.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act."
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  - 1) a non-resident-owned investment corporation throughout the year;
  - 2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  - 3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  - 4) exempt from tax under section 149 throughout the year on all of its taxable income;
  - 5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  - 6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" no later than six months from the end of the taxation year.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

**Part 1 - Capital**

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I. . . . .	<b>101</b>	0
Capital stock (or members' contributions if incorporated without share capital) . . . . .	<b>103</b>	5
Retained earnings . . . . .	<b>104</b>	854,801
Contributed surplus . . . . .	<b>105</b>	0
Any other surpluses . . . . .	<b>106</b>	0
Deferred unrealized foreign exchange gains . . . . .	<b>107</b>	0
All loans and advances to the corporation . . . . .	<b>108</b>	24,120,091
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations . . . . .	<b>109</b>	6,600,000
Any dividends declared but not paid by the corporation before the end of the year . . . . .	<b>110</b>	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 . . . . .	<b>111</b>	0

**Part 1 - Capital (cont'd)**

Proportion of the amount, if any, by which the total of all amounts  
(that would be determined under lines 101, 107, 108, 109, 111, and 112)  
for the partnership of which the corporation is a member at the end  
of the year exceeds the amount of the partnership's deferred unrealized  
foreign exchange losses (see note below) . . . . .

**112** 0

Subtotal 31,574,897 31,574,897 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** 31,574,897

**Note:**

Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- Amounts owing to the member or to corporations that are other members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- Amounts at these lines apply to partnerships in the same way that they apply to corporations.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

**Part 2 - Investment allowance**

**Add the carrying value at the end of the year of the following assets of the corporation:**

A share of another corporation . . . . . **401** 0

A loan or advance to another corporation (other than a financial institution) . . . . . **402** 0

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** 0

**Part 2 - Investment allowance (cont'd)**

### Part 3 - Taxable capital

#### Part 4 - Taxable capital employed in Canada

**Part 4 - Taxable capital employed in Canada (cont'd)**

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada . . . . .

701

0

**Deduct** the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . .

711

0

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada . . . . .

712

0

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . .

713

0

Total deductions (add lines 711, 712, and 713)

0

0 E

**Taxable capital employed in Canada**

(line 701 minus amount E) (if negative, enter "0") . . . . .

790

0

**Note:**

Complete line 713 only if the country in which the corporation is resident imposed neither a capital tax for the year on similar assets, nor a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

**Part 5 - Calculation of gross Part I.3 tax**

Taxable capital employed in Canada (line 690 or 790, whichever applies) . . . . . 31,574,897

**Deduct:** Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36) . . . . .

801

10,000,000

Excess of taxable capital employed in Canada over capital deduction . . . . .

811

21,574,897

**Gross Part I.3 Tax**

Year	Line 811	Number of days	Number of days in the taxation year					
Before 2004	21,574,897	x ( 365	/ 365)	x	.2250%	=	48,544	1
2004	21,574,897	x ( 0	/ 365)	x	.2000%	=	0	2
2005	21,574,897	x ( 0	/ 365)	x	.1750%	=	0	3
							48,544	
<b>Total Gross Part I.3 tax</b> (add lines 1, 2, and 3)							48,544	F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F			Number of days in the year					
48,544	x		365	=			0	G
							365	

**Gross Part I.3 tax** (amount F or G, whichever applies) . . . . .

820

48,544

**Part 6 - Calculation of current-year surtax credit available**

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, the lesser of a and b, below:

- a) line 600 from the T2 return . . . . . 0
- b) line 700 from the T2 return . . . . . 0                      0 H

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

		line 690 of this schedule			
c) line 600 from the T2 return	13,781	x	31,574,897	=	13,781
		-----			
		31,574,897			
		line 500 of this schedule			
d) line 700 from the T2 return . . . . .			270,538		13,781 I
<b>Current-year surtax credit available</b> (amount H or I, whichever applies) . . . . .				<b>830</b>	13,781
				=====	

**Part 7 - Calculation of current-year unused surtax credit**

Current-year surtax credit available (line 830) . . . . .					13,781
Taxable capital employed in Canada					
(line 690 or 790, whichever applies) . . . . .					31,574,897
<b>Deduct:</b> Capital deduction claimed for the year . . . . .					10,000,000
					-----
Excess of taxable capital employed in Canada over capital deduction . . . . .					21,574,897 a
					=====
<b>Less: Gross Part I.3 tax</b>					
Line a	21,574,897	x	.2250%	=	48,544 48,544 b
Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:					
		Number of days in the year			
Amount b	48,544	x	365	=	0 c
		-----		-----	
		365			
<b>Current-year unused surtax credit</b> (if negative, enter "0") . . . . .					<span style="border: 1px solid black; padding: 2px;">850</span> 0
Enter this amount at line 600 on Schedule 37					=====

\* For the purposes of the calculation of current-year unused surtax credit, the calculation is performed on a capital deduction based on \$10 millions and a specified percentage of 0.225%.

**Part 8 - Calculation of net Part 1.3 tax payable**

Gross Part 1.3 tax (line 820) ..... 48,544 J

**Deduct:**

Current-year surtax credit applied

(the lesser of lines 820 and 830) ..... 861 13,781Unused surtax credit from previous years applied ..... 862 0

Subtotal (cannot exceed amount on line 820) ..... 13,781 K

**Net Part 1.3 tax payable** (amount J minus amount K) ..... 870 34,763

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**  
(1998 and later taxation years)

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 or \$50,000,000 among the members of the related group.

**Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.**

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N]    [ Y ]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.
- Attach additional schedules if space for agreement is not sufficient.

## Agreement

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 2003

**Note:** This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member which is exempt from Part 1.3 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
ESSEX POWERLINES CORPORATION	870066529RC0001	10,000,000	
See attached		0	
<b>Total</b>	(Before 2004 must not exceed \$10,000,000 After 2003 must not exceed \$50,000,000)	10,000,000 =====	

**Note 1:** If a corporation is not registered enter, "NR".

**Note 2:** An entry is only required for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 or \$50,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal Income Tax Act, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year	Taxation year end to which this agreement applies (Note 2)
[200]	[300]	[400]	[500]
ESSEX ENERGY CORPORATION	870071123RC0001	0	2003-12-31
ESSEX POWER SERVICES CORP	866121635RC0001	0	2003-12-31
ESSEX POWER CORPORATION	869535435RC0001	0	2003-12-31
		0	
TOTAL			

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	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
<input type="checkbox"/> 100	<input type="checkbox"/> 200	<input type="checkbox"/> 300	<input type="checkbox"/> 400	<input type="checkbox"/> 500
ESSEX POWER CORPORATION	869535435RC0001		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

**Note 1:** If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

**Note 2:** If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

**Note 3:** If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.



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

# 2003 CT23 Corporations Tax and Annual Return

For taxation years  
commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)  
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)  
(formerly Ministry of Consumer and Commercial Relations)  
The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

MCBS Annual Return Required? ☒ Yes ☐ No (Not required if already filed or Annual Return exempt, Refer to Guide)

Page 1 of 24

Ministry Use

Corporation's Legal Name (including punctuation) <b>ESSEX POWERLINES CORPORATION</b>		Ontario Corporations Tax Account No. (MOF) <b>1800084</b>	
Mailing Address <b>360 FAIRVIEW AVENUE WEST Suite 218 ESSEX ON CA N8M-3G4</b>		This CT23 Return covers the Taxation Year Start <b>2003-01-01</b> End <b>2003-12-31</b>	
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of Change <b>year month day</b>		Date of Incorporation or Amalgamation <b>2000-04-18</b>	
Registered/Head Office Address <b>360 FAIRVIEW AVENUE WEST Suite 218 ESSEX ON CA N8M-3G4</b>		Ontario Corporation No. (MCBS) <b>1413911</b>	
Location of Books and Records <b>360 FAIRVIEW AVENUE WEST Suite 218 ESSEX ON CA N8M-3G4</b>		Canada Customs and Revenue Agency (formerly Revenue Canada) Business No. If applicable, enter <b>870066529RC0001</b>	
Name of person to contact regarding this CT23 Return <b>RICHARD DIMMEL</b>		Telephone No. <b>519-776-8900</b>	Fax No. <b>5197767059</b>
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) <b>ON CA -</b>		If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced <b>year month day</b> Ceased <b>year month day</b>	
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MCBS)		<input checked="" type="checkbox"/> Not Applicable	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). If there is <b>no change</b> to the Directors/Officers/Administrators' information previously submitted to MCBS, please <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS).		No. of Schedule(s) <b>0</b>	Preferred Language/Langue de préférence <input checked="" type="checkbox"/> English <input type="checkbox"/> French <b>anglais français</b>
		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)

RICHARD DIMMEL

Title: ☐ Director ☐ Officer ☒ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

ESSEX POWERLINES CORPORATION

1800084

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 &amp; 2

**1** ☒ Canadian-controlled Private (CCPC) all year  
(Generally a private corporation of which  
50% or more shares are owned by  
Canadian residents.) (fed.s.125(7)(b))

2 ☐ Other Private

3 ☐ Public

4 ☐ Non-share Capital

5 ☐ Other (specify)

Share Capital with full voting rights  
owned by Canadian Residents

(nearest percent)

100%

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office no.)

if applicable, enter

Ontario Employer Health Tax Account No.  
(Use Head Office no.)

if applicable, enter

Specify major business activity

**2** 1 ☐ Family Farm Corporation s.1 (2)

2 ☐ Family Fishing Corporation s.1 (2)

3 ☐ Mortgage Investment Corporation s.47

4 ☐ Credit Union s.51

5 ☐ Bank Mortgage Subsidiary s.61 (4)

6 ☐ Bank s.1 (2)

7 ☐ Loan and Trust Corporation s.61 (4)

8 ☐ Non-resident Corporation  
s.2(2)(a) or (b)

9 ☐ Non-resident Corporation s.2(2)(c)

10 ☐ Mutual Fund Corporation s.48

11 ☐ Non-resident owned investment  
Corporation s.49

12 ☐ Non-resident ship or aircraft under  
reciprocal agreement with Canada s.28(b)

14 ☐ Bare Trustee Corporation

15 ☐ Branch of Non-resident s.63(1)

16 ☐ Financial institution prescribed by  
Regulation only

17 ☐ Investment Dealer

18 ☐ Generator of electrical energy for sale or  
producer of steam for use in the generation  
of electrical energy for sale

19 ☒ Hydro successor, Municipal Electrical Utility  
or subsidiary of either

20 ☐ Producer and seller of steam for uses other  
than for the generation of electricity

21 ☐ Insurance Exchange s.74.4

22 ☐ Farm Feeder Finance Co-operative  
Corporation

23 ☐ Professional Corporation  
(incorporated professionals only)

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

Was the corporation inactive throughout the taxation year?

Yes No  
☐ ☒

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

☒ ☐

Are you requesting a refund due to: the Carry-back of a Loss?

☐ ☒

an Overpayment?

☒ ☐

a Specified Refundable Tax Credit?

☐ ☒

Are you a Member of a Partnership or Joint Venture?

☐ ☒

# Income Tax

**Allocation** - If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

**DOLLARS ONLY**

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From <b>690</b>	<b>1,230,464.</b>
Subtract: Charitable donations	-	<b>1</b>	<b>0.</b>
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	-	<b>2</b>	<b>0.</b>
Subtract: Taxable dividends deductible, per federal T2 SCH 3	-	<b>3</b>	<b>0.</b>
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)	-	<b>4</b>	<b>0.</b>
Subtract: Federal Part VI.1 tax <b>0.</b> X 9/4	-	<b>5</b>	<b>0.</b>
Subtract: Prior years' losses applied - Non-capital losses	-	From <b>704</b>	<b>0.</b>
Net capital losses (page 16) <b>715</b> X inclusion rate <b>0.</b> <b>50.000000%</b>	=	<b>714</b>	<b>0.</b>
Farm losses	-	From <b>724</b>	<b>0.</b>
Restricted farm losses	-	From <b>734</b>	<b>0.</b>
Limited partnership losses	-	From <b>754</b>	<b>0.</b>
<b>Taxable Income (Non-capital loss)</b>	=	<b>10</b>	<b>1,230,464.</b>
Addition to taxable income for unused foreign tax deduction for federal purposes	+	<b>11</b>	<b>0.</b>
<b>Adjusted Taxable Income</b> <b>10</b> + <b>11</b> (if <b>10</b> is negative, enter <b>11</b> )	=	<b>20</b>	<b>1,230,464.</b>

<b>Number of Days in Taxation Year</b>	
<b>Taxable Income</b>	
From <b>10</b> (or <b>20</b> if applicable) <b>1,230,464.</b> X <b>30</b> <b>100.0000%</b> X <b>12.5000%</b>	Days after Sept. 30, 2001 and before Jan. 1, 2004 <b>33</b> <b>365</b> + <b>73</b> <b>365</b> = <b>29</b> <b>153,808.</b>
Ontario Allocation	
From <b>10</b> (or <b>20</b> if applicable) <b>1,230,464.</b> X <b>30</b> <b>100.0000%</b> X <b>14.0000%</b>	Days after Dec. 31, 2003 and before Jan. 1, 2005 <b>34</b> <b>0</b> + <b>73</b> <b>365</b> = <b>32</b> <b>0.</b>
Ontario Allocation	
<b>Income Tax Payable</b> (before deduction of tax credits) <b>29</b> + <b>32</b>	= <b>40</b> <b>153,808.</b>

## Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year?

(X) ☒ Yes ☐ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	<b>50</b>	<b>1,230,464.</b>
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ <b>51</b>	<b>1,230,464.</b>
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ <b>52</b>	<b>0.</b>
Subtract: Losses of other years deducted for Ontario purposes (s.34)	- <b>53</b>	<b>0.</b>
	=	<b>1,230,464.</b> <b>54</b> <b>1,230,464.</b>
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding \$ 200,000)	+ <b>55</b>	<b>200,000.</b>

<b>Number of Days in Taxation Year</b>	
80,000 X <b>28</b> <b>0</b> ÷ <b>73</b> <b>365</b>	
X From <b>55</b> <b>200,000</b> ÷ <b>200,000</b>	= <b>43</b> <b>0.</b>
120,000 X <b>31</b> <b>365</b> ÷ <b>73</b> <b>365</b>	
X From <b>55</b> <b>200,000</b> ÷ <b>200,000</b>	= <b>46</b> <b>120,000.</b>
200,000 X <b>31</b> <b>0</b> ÷ <b>73</b> <b>365</b>	
X From <b>55</b> <b>200,000</b> ÷ <b>200,000</b>	= <b>47</b> <b>0.</b>
Ontario enhancement of federal business limit <b>43</b> + <b>46</b> + <b>47</b>	= <b>120,000.</b> <b>44</b> <b>120,000.</b>
<b>Business Limit for Ontario purposes</b> <b>55</b> + <b>44</b>	= <b>320,000.</b> <b>45</b> <b>320,000.</b>
<b>Income eligible for the IDSBC</b>	From <b>30</b> <b>100.0000%</b> X <b>56</b> <b>320,000.</b> = <b>60</b> <b>320,000.</b>
* Ontario Allocation Least of <b>50</b> , <b>54</b> or <b>45</b>	

\* 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**

ESSEX POWERLINES CORPORATION

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DOLLARS ONLY

**Income Tax** *continued from Page 4*

## Calculation of IDSBC Rate

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan 1, 2003	Total Days		
.....	6.50 %	x [28]	0 ÷ [73]	365	= + [79] .0000
		Days after Dec. 31, 2002 and before Jan 1, 2004	Total Days		
.....	7.00 %	x [31]	365 ÷ [73]	365	= + [89] 7.0000
		Days after Dec. 31, 2003 and before Jan 1, 2005	Total Days		
.....	8.50 %	x [34]	0 ÷ [73]	365	= + [90] .0000

IDSBC Rate for Taxation Year [79] + [89] + [90] ..... = [78] 7.0000

Claim ..... From [60] 320,000. x From [78] 7.0000 % ..... = [70] 22,400.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in [114] below.

**Surtax on Canadian-controlled private corporations (s.41.1)**

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

**\*\* Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.**Associated Corporation** - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.**\*\* Taxable Income of the corporation** ..... From [10] (or [20] if applicable) + [80] 1,230,464.If you are a member of an associated group (X) [81] ☒ (Yes)Name of associated corporation (Canadian & foreign)  
(if insufficient space, attach schedule)Ontario Corporations Tax  
Account No. (MOF)  
(if applicable)

Taxation Year End

**\*\* Taxable Income**  
(if loss, enter nil)

See attached ..... + [82] 91,887.

..... + [83] .....

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. ..... = [85] 1,322,351.

## Number of Days in Taxation Year

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan 1, 2003	Total Days		
Subtract: 280,000	x	[28]	0 ÷ [73]	365	= + [113] 0.
		Days after Dec. 31, 2002 and before Jan 1, 2004	Total Days		
320,000	x	[31]	365 ÷ [73]	365	= + [115] 320,000.
		Days after Dec. 31, 2003 and before Jan 1, 2005	Total Days		
400,000	x	[34]	0 ÷ [73]	365	= + [116] 0.

[113] + [115] + [116] = 320,000. .... - [114] 320,000.

(If negative, enter nil) ..... = [86] 1,002,351.

## Number of Days in Taxation Year

		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]	365	= + [95] .0000
		Days after Dec. 31, 2002 and before Jan 1, 2004	Total Days		
.....	4.6670 %	x [31]	365 ÷ [73]	365	= + [96] 4.6670
		Days after Dec. 31, 2003 and before Jan 1, 2005	Total Days		
.....	4.6670 %	x [34]	0 ÷ [73]	365	= + [97] .0000

Specified rate of surtax for Taxation Year [95] + [96] + [97] ..... = [94] 4.6670

From [86] 1,002,351. x From [94] 4.6670 % ..... = [87] 46,780.

From [87] 46,780. x From [60] 320,000. ÷ From [114] 320,000. = [88] 46,780.

Surtax Lesser of [70] or [88] ..... = [100] 22,400

Continued on Page 6

ESSEX POWERLINES CORPORATION

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DOLLARS ONLY

**Income Tax** *continued from Page 5***Additional Deduction for Credit Unions (s.51(4))** (Attach schedule 17)

110 0.

**Manufacturing and Processing Profits Credit (M&P) (s.43)****Applies** to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is \$250,000 or less.

Eligible Canadian Profits	+	120	0.								
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	-	From 56	320,000.								
Add: Adjustment for Surtax on Canadian-controlled private corporations											
From 100	22,400.	÷	From 30	100.0000	%	+ From 78	7.0000	%	=	121	320,000.
* Ontario Allocation											
Lesser of 56 or 121	+	122	320,000.								
120 - 56 + 122	=	130	0.								
Taxable Income	+	From 10	1,230,464.								
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	1,230,464.	X	Allocation % to jurisdictions outside Canada	0.0000	%	-	140	0.			
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	-	141	0.								
10 - 56 + 122 - 140 - 141	=	142	1,230,464.								

**Claim****Number of Days in Taxation Year**

143	0.	X	From 30	100.0000	%	X	1.5000	%	X	33	0 ÷ 73	365	= +	154	0.
* Ontario Allocation															
143	0.	X	From 30	100.0000	%	X	2.0000	%	X	34	0 ÷ 73	365	= +	156	0.
* Ontario Allocation															

M&amp;P claim for taxation year 154 + 156 = 160 0.

\* Note: Ontario Allocation for M&amp;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 = 190 153,808.*continued on Page 7*

ESSEX POWERLINES CORPORATION

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DOLLARS ONLY

**Income Tax** *continued from Page 6***Specified Tax Credits** *(Refer to Guide)***Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies* to research and development in Ontario.Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* ..... + 191 ..... 0.**Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.Eligible Credit From 5798 Summary Schedule F ..... + 192 ..... 0.**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)***Applies* to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC)  
or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.*(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* ..... + 193 ..... 0.**Graduate Transitions Tax Credit (GTTC) (s.43.6)***Applies* to employment of eligible unemployed post secondary graduate.Eligible Credit From 6598 Summary Schedule G ..... + 195 ..... 0.No. of Graduates From 6596194 ..... 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 ..... 153,808.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**.

ESSEX POWERLINES CORPORATION

1800084

2003-12-31

DOLLARS ONLY

## 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]** 37,592,029.  
 \* Total Revenue of the corporation ..... + **[241]** 8,429,937.

If you are a member of an associated group (x) **[242]** ☒ (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Total Revenue
See attached			+ <b>[243]</b> <u>28,532,367.</u>	+ <b>[244]</b> <u>8,486,774.</u>
			+ <b>[245]</b> _____	+ <b>[246]</b> _____
			+ <b>[247]</b> _____	+ <b>[248]</b> _____
Aggregate Total Assets	<b>[240]</b> + <b>[243]</b> + <b>[245]</b> + <b>[247]</b> , etc.		= <b>[249]</b> <u>66,124,396.</u>	
Aggregate Total Revenue	<b>[241]</b> + <b>[244]</b> + <b>[246]</b> + <b>[248]</b> , etc.			= <b>[250]</b> <u>16,916,711.</u>

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]** 1,255,987. X From **[30]** 100.0000 % X 4.0000 = **[276]** 50,239.  
 If negative, enter zero Ontario Allocation  
 Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) ..... - **[277]** 0.  
 Subtract: Income Tax ..... - From **[190]** 153,808.  
**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]** 153,808.  
 Gross CMT Payable ..... + From **[276]** 50,239.  
 Subtract: Foreign Tax Credit for CMT purposes ..... - From **[277]** 0.  
 If **[276]** - **[277]** is negative, enter NIL in **[290]** ..... = 50,239. - **[290]** 50,239.  
**Income Tax eligible for CMT Credit** ..... = **[300]** 103,569.

**B. Income tax (after deduction of specified credits)** ..... + From **[230]** 153,808.  
 Subtract: CMT credit used to reduce income taxes ..... - **[310]** 0.  
**Income Tax** ..... = **[320]** 153,808.

Transfer to page 17

If A & B apply, **[310]** cannot exceed the lesser of **[230]**, **[300]** and your CMT credit carryover available **[2307]**.

If only B applies, **[310]** cannot exceed the lesser of **[230]** and your CMT credit carryover available **[2307]**.



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**Capital Tax** (Refer to Guide and Int.B. 3011)

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital tax for the taxation year. A Corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If

Investment Allowance is claimed. Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

**Paid-up Capital of Non-resident:** Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B 3010).

**Paid-up Capital**

Paid-up capital stock (Int.B. 3012 and 3015)	+	350	5.
Retained earnings (if deficit, deduct) (Int.B. 3012)	±	351	854,801.
Capital and other surpluses, excluding appraisal surplus (Int.B.3012)	+	352	0.
Loans and advances (Attach schedule) (Int.B. 3013)	+	353	24,120,091.
Bank loans (Int.B. 3013)	+	354	6,600,000.
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	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	+	362	0.
<b>Subtotal</b>	=	370	31,574,897.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	-	371	-5,575,841.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	-	372	0.
<b>Total Paid-up Capital</b>	=	380	37,150,738.
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.
<b>Net Paid-up Capital</b>	=	390	37,150,738.

**Eligible Investments** (Refer to Guide and Int.B. 3015)

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	0.
Mortgages due from other corporations	+	403	0.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	+	404	0.
Loans and advances to unrelated corporations	+	405	0.
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	+	406	0.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	+	407	0.
<b>Total Eligible Investments</b>	=	410	0.

continued on Page 10

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**Capital Tax** *continued from Page 9***Total Assets** (Int.B. 3015)

Total Assets per balance sheet	+	420	37,592,029.
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.
<b>Total Assets as adjusted</b>	=	430	37,592,029.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	-5,575,841.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
<b>Total Assets</b>	=	450	43,167,870.

<b>Investment Allowance</b> (410 ÷ 450) × 390	Not to exceed 410	=	460	0.
<b>Taxable Capital</b> 390 - 460		=	470	37,150,738.

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	8,429,937.
<b>Total Assets</b> (as adjusted)	From 430	37,592,029.

**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
				Ontario Allocation				** 365
								(366 if leap year)
								Transfer to 543 on page 12 and complete the return from that point

\*\* If floating taxation year, refer to Guide.

continued on Page 11

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**Capital Tax Calculation** *continued from page 10***SECTION C**

This section applies **ONLY** to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either ☐ 509 or ☐ 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

**C1.** ☐ 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital ☐ 470 on page 10 is \$5,000,000 or less, enter NIL in ☐ 550 on page 12 and complete the return from that point.

If taxable capital ☐ 470 on page 10 exceeds \$5,000,000 proceed to **Section D**, enter \$5,000,000 in ☐ 542 Section D, and complete Section D and the return from that point.

**C2.** ☒ 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 37,150,738.

**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 5,343,708.

+ ☐ 532                     

+ ☐ 533                     

= ☐ 540 42,494,446.

Aggregate Taxable Capital ☐ 470 + ☐ 531 + ☐ 532 + ☐ 533, etc. .... = ☐ 540

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 37,150,738. ÷ From ☐ 540 42,494,446. × 5,000,000 ..... = ☐ 541 4,371,246.  
Transfer to ☐ 542 in Section D on page 12

**S.s.69(2.1) Election Filed**

☐ 591 (X if applicable) **Election filed. Attach a copy of the election with this CT23 Return.**  
Proceed to **Section E** on page 12.

**Capital Tax 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.

[illegible]

## 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**

$$+ \text{ From } 470 \text{ } 0. \times \text{ From } 30 \text{ } 100.0000\% \times 3000\% \dots\dots\dots = + 561 \text{ } 0.$$

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.

$$\text{Capital Tax} \dots\dots\dots \boxed{562} \underline{\hspace{1cm}} 0. \quad \times \quad \begin{array}{r} \text{Days in taxation year} \\ \boxed{555} \underline{\hspace{1cm}} \boxed{365} \\ \text{**} \quad \quad \quad \boxed{365} \\ \text{(366 if leap year)} \end{array} \dots\dots\dots = \boxed{563} \underline{\hspace{1cm}} 0. \\ \text{Transfer to } \boxed{543} \text{ and complete the return from that point.}$$

**\*\* If floating taxation year, refer to Guide.**

<b>Capital Tax before application of specified credits</b> .....	=	<b>543</b>		<b>98,338.</b>
Subtract: Specified Tax Credits applied to reduce capital tax payable ( <i>Refer to Guide</i> ) .....	-	<b>546</b>		<b>0.</b>
<b>Capital Tax</b> <b>543</b> - <b>546</b> ( <i>amount cannot be negative</i> ) .....	=	<b>550</b>		<b>98,338.</b>

Transfer to Page 17

**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.)

<b>565</b>	0.	x	0.6%	x From	<b>30</b>	Ontario Allocation	x	<b>555</b>	0	+ **	0	(366 if leap year)	=	+	<b>569</b>	0.
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1																

<b>570</b>	0.	x	<b>571</b>	0.00%	x From	<b>30</b>	Ontario Allocation	x	<b>555</b>	0	+ **	0	(366 if leap year)	=	+	<b>574</b>	0.
Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount																	
Capital Tax Rate (Refer to Guide)																	

<b>Capital Tax for Financial Institutions – other than Credit Unions (before Section II)</b>	<b>569</b>	+	<b>574</b>	=	<b>575</b>	0.
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\*\* 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	=	<b>585</b>	0.
Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) <input type="checkbox"/> Yes			

<b>Capital Tax – Financial Institutions</b>	<b>575</b>	-	<b>585</b>	=	<b>586</b>	0.
					Transfer to <b>543</b> on Page 12	

**Premium Tax (s.74.2 & 74.3) (Refer to Guide)**

(1) Uninsured Benefits Arrangements	<b>587</b>	0.	x 2%	=	<b>588</b>	0.
<b>Applies</b> 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.

<b>Deduct:</b> Specified Tax Credits applied to reduce premium tax (Refer to Guide)	=	<b>589</b>	0.
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<b>Premium Tax</b>	<b>588</b>	-	<b>589</b>	=	<b>590</b>	0.
					Transfer to page 17	

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# Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1

+ 600 1,230,464.

Transfer to Page 15

## Add:

Federal capital cost allowance	601	1,176,560.
Federal cumulative eligible capital deduction	602	0.
Ontario taxable capital gain	603	0.
Federal non-allowable reserves. Balance beginning of year	604	0.
Federal allowable reserves. Balance end of year	605	0.
Ontario non-allowable reserves. Balance end of year	606	0.
Ontario allowable reserves. Balance beginning of year	607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608	0.
Federal resource allowance	609	0.
Federal depletion allowance	610	0.
Federal foreign exploration and development expenses	611	0.
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

## Number of Days in Taxation Year

Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
612 0. x 5 ÷ 12.5000 x 33 365 ÷ 73 365	= 633 0.

Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days
612 0. x 5 ÷ 14.0000 x 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 = 1,176,560. 640 1,176,560.

Transfer to Page 15

## Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	650	1,176,560.
Ontario cumulative eligible capital deduction	651	0.
Federal taxable capital gain	652	0.
Ontario non-allowable reserves. Balance beginning of year	653	0.
Ontario allowable reserves. Balance end of year	654	0.
Federal non-allowable reserves. Balance end of year	655	0.
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	1,176,560.

Transfer to Page 15

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# Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From  $\pm$  **600** 1,230,464.

Total of Additions ..... From  $=$  **640** 1,176,560.

Subtotal of deductions on page 14 ..... From  $=$  **681** 1,176,560.

## 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:

Gross-up of CCA

From **662** 0. x 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 **477**from Ont. CT23 Schedule 161 ..... + **679** 0.

## Amount added to income federally for an amount that was negative in line 454 of federal form T661

..... + **677** 0.

## Total of other deductions allowed by Ontario (Attach schedule)

..... + **664** 0.

Total of Deductions **681** + **663** + **666** + **668** + **671** + **673** + **678** + **679** + **677** + **664** .. = 1,176,560. **680** 1,176,560.

Net income (loss) for Ontario Purposes **600** + **640** - **680** ..... = **690** 1,230,464.

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)
<b>Balance at Beginning of Year</b>	700 (2)	710 (2)	720 (2)	730	740	750
	0	0	0	0	0	0
<b>Add:</b>	701	711	721	731	741	751
Current year's losses (7)	0	0	0	0	0	0
Losses from predecessor corporations (3)	702	712	722	732		752
	0	0	0	0		0
<b>Subtotal</b>	703	713	723	733	743	753
	0	0	0	0	0	0
<b>Subtract:</b>	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	0	0	0	0	0	0
Expired during the year	705		725	735	745	
	0		0	0	0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
	0	0	0	0	0	
<b>Subtotal</b>	707	717	727	737	747	757
	0	0	0	0	0	0
<b>Balance at End of Year</b>	709 (8)	719	729	739	749	759
	0	0	0	0	0	0

## Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

## Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1995-09-30				850	870
				0	0
801 8th preceding taxation year 1996-09-30				851	871
				0	0
802 7th preceding taxation year 1997-09-30				852	872
				0	0
803 6th preceding taxation year 1998-09-30	820	830	840	853	873
	0	0	0	0	0
804 5th preceding taxation year 1999-09-30	821	831	841	854	874
	0	0	0	0	0
805 4th preceding taxation year 2000-09-30	822	832	842	855	875
	0	0	0	0	0
806 3rd preceding taxation year 2001-09-30	823	833	843	856	876
	0	0	0	0	0
807 2nd preceding taxation year 2001-12-31	824	834	844	857	877
	0	0	0	0	0
808 1st preceding taxation year 2002-12-31	825	835	845	858	878
	0	0	0	0	0
809 Current taxation year 2003-12-31	826	836	846	859	879
	0	0	0	0	0
<b>Total</b>	829	839	849	869	889
	0	0	0	0	0



ESSEX POWERLINES CORPORATION

1800084

2003-12-31

DOLLARS ONLY

**Request for Loss Carry-Back (s.80(16))**

**Applies** to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance**.

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

**Application of Losses**

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
<b>Total amount of loss</b>	910 0	920 0	930 0	940 0
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income				
<b>Predecessor Ontario Corporation's Tax Account No. (MOF)</b>				
<b>Taxation Year Ending year month day</b>				
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
<b>Total loss to be carried back</b>	From 706 0	From 716 0	From 726 0	From 736 0
<b>Balance of loss available for carry-forward</b>	919 0	929 0	939 0	949 0

**Summary**

<b>Income tax</b>	+ From 230 or 320	153,808.
<b>Corporate Minimum Tax</b>	+ From 280	0.
<b>Capital Tax</b>	+ From 550	98,338.
<b>Premium Tax</b>	+ From 590	0.
<b>Total Tax Payable</b>	= 950	252,146.
<b>Subtract: Payments</b>	- 960	557,560.
<b>Capital Gains Refund (s.48)</b>	- 965	0.
<b>Qualifying Environmental Trust Tax Credit (Refer to Guide)</b>	- 985	0.
<b>Specified Tax Credits (Refer to Guide)</b>	- 955	0.
<b>Other (specify)</b>	-	0.
<b>Balance</b>	= 970	-305,414.
<b>If payment due</b>	Enclosed * 990	0.
<b>If overpayment: Refund (Refer to Guide)</b>	.. = 975	305,414.
<b>Apply to</b>	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)

RICHARD DIMMEL

Title

VP of Finance

Full Residence Address

Signature

Date

2004-03-05

**Note:** Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

ESSEX POWERLINES CORPORATION

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2003-12-31

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 705,238.

## 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)	+	2108	0.

Subtotal

= 2109 0.

## Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes	+	2110	550,749.
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

= 2115 550,749.

## 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)

+ 2128 0.

Subtotal (Subtractions)

- 2129 0.

\*\* Other adjustments

± 2130 0.

Subtotal

± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130 = 2131 1,255,987.

\*\* 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 1,255,987.

Deduct: \* CMT losses: pre-1994 Loss

+ From 2210 0.

\* CMT losses: other eligible losses

+ 2211 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 1,255,987.

Transfer to CMT Base on Page 8

ESSEX POWERLINES CORPORATION

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2003-12-31

## Corporate Minimum Tax (CMT)



DOLLARS ONLY

## Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)	.....	+	<u>2201</u>	.....	0.			
<b>Add:</b> Current year's losses	.....	+	<u>2202</u>	.....	0.			
Losses from predecessor corporations on amalgamation (3)	.....	+	<u>2203</u>	.....	0.			
Losses from predecessor corporations on wind-up (3)	.....	+	<u>2204</u>	.....	0.			
Amalgamation (x) <u>2205</u> <input type="checkbox"/> Yes    Wind-up (x) <u>2206</u> <input type="checkbox"/> Yes	.....	=	.....	0.	+	<u>2207</u>	.....	0.
<b>Subtotal</b>	.....	=	.....	0.	+	<u>2207</u>	.....	0.
Adjustments (attach schedule)	.....	±	<u>2208</u>	.....	0.			
<b>CMT losses available</b>	<u>2201</u> + <u>2207</u> ± <u>2208</u>	.....	=	<u>2209</u>	.....	0.		
<b>Subtract:</b> Pre-1994 loss utilized during the year to reduce adjusted net income	.....	+	<u>2210</u>	.....	0.			
Other eligible losses utilized during the year to reduce adjusted net income (4)	.....	+	<u>2211</u>	.....	0.			
Losses expired during the year	.....	+	<u>2212</u>	.....	0.			
<b>Subtotal</b>	.....	=	.....	0.	-	<u>2213</u>	.....	0.
<b>Balances at End of Year (5)</b>	<u>2209</u> - <u>2213</u>	.....	=	<u>2214</u>	.....	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
<u>2240</u>	9th preceding taxation year 2000-12-31	<u>2260</u> 0	<u>2280</u> 0
<u>2241</u>	8th preceding taxation year 2001-12-31	<u>2261</u> 0	<u>2281</u> 0
<u>2242</u>	7th preceding taxation year 2002-12-31	<u>2262</u> 0	<u>2282</u> 0
<u>2243</u>	6th preceding taxation year 2003-12-31	<u>2263</u> 0	<u>2283</u> 0
<u>2244</u>	5th preceding taxation year	<u>2264</u> 0	<u>2284</u> 0
<u>2245</u>	4th preceding taxation year	<u>2265</u> 0	<u>2285</u> 0
<u>2246</u>	3rd preceding taxation year	<u>2266</u> 0	<u>2286</u> 0
<u>2247</u>	2nd preceding taxation year	<u>2267</u> 0	<u>2287</u> 0
<u>2248</u>	1st preceding taxation year	<u>2268</u> 0	<u>2288</u> 0
<u>2249</u>	Current taxation year	<u>2269</u> 0	<u>2289</u> 0
<b>Totals</b>		<u>2270</u> 0	<u>2290</u> 0

The sum of amounts 2270 + 2290  
must equal amount in 2214

ESSEX POWERLINES CORPORATION

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2003-12-31

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 <input type="checkbox"/> Yes Wind-up (x) 2304 <input type="checkbox"/> Yes	.....	=	0.	+
Subtotal	.....		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 2000-12-31	2360 0	2380 0
2341	8th preceding taxation year 2001-12-31	2361 0	2381 0
2342	7th preceding taxation year 2002-12-31	2362 0	2382 0
2343	6th preceding taxation year 2003-12-31	2363 0	2383 0
2344	5th preceding taxation year	2364 0	2384 0
2345	4th preceding taxation year	2365 0	2385 0
2346	3rd preceding taxation year	2366 0	2386 0
2347	2nd preceding taxation year	2367 0	2387 0
2348	1st preceding taxation year	2368 0	2388 0
2349	Current taxation year	2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390  
must equal amount in 2310.

**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					
7.00%	x	0	/	Total Days 365	= .0000%
Days after Dec 31, 1999 and before Jan 1, 2001					
7.50%	x	0	/	Total Days 365	= .0000%
Days after Dec 31, 2000 and before Oct 1, 2001					
7.50%	x	0	/	Total Days 365	= .0000%
Days after Sept 30, 2001 and before Jan 1, 2003					
6.50%	x	0	/	Total Days 365	= .0000%
Days after Dec 31, 2002 and before Jan 1, 2004					
7.00%	x	365	/	Total Days 365	= 7.0000%
Days after Dec 31, 2003 and before Jan 1, 2005					
8.50%	x	0	/	Total Days 365	= .0000%
IDSBC Rate for the Taxation Year . . . . .					= 7.0000%
					=====

**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 and before Jan 1, 2005 0	/	Total Days 365	=	.0000
Specified Rate of Surtax for the Taxation Year . . . . .					=	4.6670%
					=	=====









Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1	2	3	4	5	6	7	8	9	10	11	12	13
Class number	Ontario under-precipitated capital cost at the beginning of the year (unde-precipitated capital cost at the beginning of the year available for use)	Cost of acquisitions during the year (new property must be available for use)	Net adjustments (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario under-precipitated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)	Reduced unde-precipitated capital cost (column 6 minus acquisitions column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario unde-precipitated capital cost at the end of the year (column 6 minus column 12)

prior year's

CCA See note 1 below schedule)

See note 2 below

1	28,443,761	1,308,090	0	0	29,751,851	654,045	29,097,806	4	0	0	1,163,912	28,587,939
10	31,826	20,668	0	0	52,494	10,334	42,160	30	0	0	12,648	39,846
Total	28,475,587	1,328,758	0	0	29,804,345	664,379	29,139,966		0	0	1,176,560	28,627,785

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.

## 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
ESSEX POWERLINES CORPORATION	1800084	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
ESSEX ENERGY CORPORATION	1800081	2003-12-31	+ 830,722
ESSEX POWER SERVICES CORP	1800083	2003-12-31	+ 3,465,898
ESSEX POWER CORPORATION	1800082	2003-12-31	+ 1,047,088
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
Aggregate of taxable capital =			5,343,708

Transfer to box **540** of the CT23

# T2 CORPORATION INCOME TAX RETURN

200  
Code 0401

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

ORIGINAL'S COPY

<b>Identification</b>	
Business Number (BN) ..... 001 870066529RC0001	
Corporation's name 002 ESSEX POWERLINES CORPORATION	
Has the corporation changed its name since the last time we were notified? ... 003 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If Yes, do you have a copy of the articles of amendment? ..... 004 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>	
<b>Address of head office</b> Has the address changed since the last time we were notified? ..... 010 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
011 360 FAIRVIEW AVENUE WEST	
012 Suite 218	
City	Province, territory, or state
015 ESSEX	016 ON
Country (other than Canada)	Postal code/ZIP code
017	018 N8M-3G4
<b>Mailing address (if different from head office address)</b> Has the address changed since the last time we were notified? ..... 020 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
021 c/o	
022 360 FAIRVIEW AVENUE WEST	
023 Suite 218	
City	Province, territory, or state
025 ESSEX	026 ON
Country (other than Canada)	Postal code/ZIP code
027	028 N8M-3G4
<b>Location of books and records</b> Has the location of books and records changed since the last time we were notified? ..... 030 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
031 360 FAIRVIEW AVENUE WEST	
032 Suite 218	
City	Province, territory, or state
035 ESSEX	036 ON
Country (other than Canada)	Postal code/ZIP code
037	038 N8M-3G4
<b>040 Type of corporation at the end of the taxation year</b> 1 <input checked="" type="checkbox"/> Canadian-controlled private corporation (CCPC)      4 <input type="checkbox"/> Corporation controlled by a public corporation 2 <input type="checkbox"/> Other private corporation      5 <input type="checkbox"/> Other corporation (specify, below) 3 <input type="checkbox"/> Public corporation	
If the type of corporation changed during the taxation year, provide the effective date of the change ..... 043 <div style="text-align: right;">YYYY/MM/DD</div>	
<b>To which taxation year does this return apply?</b> 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 <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
If Yes, give the date control was acquired ..... 065 <div style="text-align: right;">YYYY/MM/DD</div>	
<b>Is the corporation a professional corporation that is a member of a partnership?</b> ..... 067 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
<b>Is this the first year of filing after:</b> Incorporation? ..... 070 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> Amalgamation? ..... 071 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If Yes, complete and attach Schedule 24.	
<b>Has there been a windup of a subsidiary under section 88 during the current taxation year?</b> ..... 072 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If Yes, complete and attach Schedule 24.	
<b>Is this the final taxation year before amalgamation?</b> ..... 076 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
<b>Is this the final return up to dissolution?</b> ..... 078 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
<b>Is the corporation a resident of Canada?</b> 080 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/> If No, give the country of residence.	
081 <b>Is the non-resident corporation claiming an exemption under an income tax treaty?</b> ..... 082 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If Yes, complete and attach Schedule 91.	
<b>If the corporation is exempt from tax under section 149, tick one of the following boxes:</b> 085      1 <input type="checkbox"/> Exempt under paragraph 149(1)(e) or (l) 2 <input type="checkbox"/> Exempt under paragraph 149(1)(j) 3 <input type="checkbox"/> Exempt under paragraph 149(1)(i) 4 <input type="checkbox"/> Exempt under other paragraphs of section 149	

## Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

\* We do not print these schedules.

Schedules - Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.

Guide item	Yes	Schedule
27 Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation?	160 <input checked="" type="checkbox"/>	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	16
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	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 <input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
42 Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172 <input type="checkbox"/>	
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 <input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	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 <input type="checkbox"/>	2
82,104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input checked="" type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	204 <input type="checkbox"/>	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 <input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	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 <input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210 <input type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
150 Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
118 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
155 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
121 Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232 <input type="checkbox"/>	T661
124 Is the corporation subject to gross Part I.3 tax?	233 <input type="checkbox"/>	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 <input checked="" type="checkbox"/>	36
124 Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
128 Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	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 <input type="checkbox"/>	43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
125 Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	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 <input type="checkbox"/>	39
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
153 Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
130 Is the corporation subject to Part XIII.1 tax?	255 <input type="checkbox"/>	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	<input type="checkbox"/>	T1134-A
44	Did the corporation have any controlled foreign affiliates?	258	<input type="checkbox"/>	T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259	<input type="checkbox"/>	T1135
44	Did the corporation transfer or loan property to a non-resident trust?	260	<input type="checkbox"/>	T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	<input type="checkbox"/>	T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	<input type="checkbox"/>	T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	<input type="checkbox"/>	T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	<input type="checkbox"/>	T1174

**Additional Information**

Is the corporation inactive? ..... **280** 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) ..... **281** 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? ..... **282** \_\_\_\_\_  
(Only complete if Yes was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail ..... **283** 1 Wholesale ☐ 2 Retail ☒

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

<b>284</b>	<b>LDC - BILL &amp; COLLECT</b>	<b>285</b>	<b>100%</b>
<b>286</b>		<b>287</b>	<b>0%</b>
<b>288</b>		<b>289</b>	<b>0%</b>

Did the corporation immigrate to Canada during the taxation year? ..... **291** 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? ..... **292** 1 Yes ☐ 2 No ☒

**Taxable Income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF ..... **300** 625,982 A

**Deduct:**

Charitable donations from Schedule 2	<b>311</b>	<u>0</u>
Gifts to Canada, a province, or a territory from Schedule 2	<b>312</b>	<u>0</u>
Cultural gifts from Schedule 2	<b>313</b>	<u>0</u>
Ecological gifts from Schedule 2	<b>314</b>	<u>0</u>
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	<b>320</b>	<u>0</u>
Part VI.1 tax deduction from Schedule 43*	<b>325</b>	<u>0</u>
Non-capital losses of preceding taxation years from Schedule 4	<b>331</b>	<u>0</u>
Net-capital losses of preceding taxation years from Schedule 4	<b>332</b>	<u>0</u>
Restricted farm losses of preceding taxation years from Schedule 4	<b>333</b>	<u>0</u>
Farm losses of preceding taxation years from Schedule 4	<b>334</b>	<u>0</u>
Limited partnership losses of preceding taxation years from Schedule 4	<b>335</b>	<u>0</u>
Taxable capital gains or taxable dividends allocated from a central credit union	<b>340</b>	<u>0</u>
Prospector's and grubstaker's shares	<b>350</b>	<u>0</u>
<b>Subtotal</b>		<u>0</u> B
<b>Subtotal (amount A minus amount B) (if negative, enter "0")</b>		<u>625,982</u> C
<b>Add:</b> Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	<b>355</b>	<u>0</u> D
<b>Taxable income (amount C plus amount D)</b>	<b>360</b>	<u>625,982</u>
Income exempt under paragraph 149(1)(i)	<b>370</b>	<u>0</u>
<b>Taxable income for a corporation with exempt income under paragraph 149(1)(i) (line 360 minus line 370)</b>		<u>625,982</u> 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** 625,982 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** 625,982 B

**Calculation of the business limit:**

For all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003	<u>0</u>	=	<u>0</u>	1
		Number of days in the taxation year	<u>366</u>			
225,000	x	Number of days in the taxation year in 2003	<u>0</u>	=	<u>0</u>	2
		Number of days in the taxation year	<u>366</u>			
250,000	x	Number of days in the taxation year in 2004	<u>366</u>	=	<u>250,000</u>	3
		Number of days in the taxation year	<u>366</u>			
300,000	x	Number of days in the taxation year after 2004	<u>0</u>	=	<u>0</u>	3.1
		Number of days in the taxation year	<u>366</u>			
			Add amounts at lines 1, 2, 3, and 3.1		<u>250,000</u>	4

Business limit (see notes 1 and 2 below) ..... **410** 250,000 C

**Notes:** 1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

**Business limit reduction:**

Amount C 250,000 x **415**\*\*\* 48,544 D = 1,078,756 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)

\* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

\*\* Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

**\*\*\* Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus \$10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

**Accelerated tax reduction****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425) ..... 0 x  $\frac{300,000}{\text{line 4 above}}$  = 0 A

Net active business income (amount from line 400) \* ..... 625,982 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 ..... 625,982 C

**Deduct:**

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 625,982 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 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	0
			Number of days in the taxation year	366
				x 1% =
				0
Amount A	0	x	Number of days in the taxation year in 2004	366
			Number of days in the taxation year	366
				x 2% =
				0
Amount A	0	x	Number of days in the taxation year in 2005	0
			Number of days in the taxation year	366
				x 3% =
				0
Amount A	0	x	Number of days in the taxation year in 2006	0
			Number of days in the taxation year	366
				x 5% =
				0
Resource deduction - total of amounts B, C, C.1, and C.2 (enter amount D on line 10 of page 7)		438	0	D

**General tax reduction for Canadian-controlled private corporations****Canadian-controlled private corporations throughout the taxation year**

Taxable income from line 360 on page 3		625,982	E
Amount Z from Part 9 of Schedule 27	0	x 100/7 =	0
Amount QQ from Part 13 of Schedule 27			0
Taxable resource income from line 435 above			0
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0
Amount on line 400, 405, 410, or 425 on page 4, whichever is less			0
Aggregate investment income from line 440 of page 6			0
Amount used to calculate the accelerated tax reduction (amount M of page 4)			0
Total of amounts F, G, H, I, J, K, and L			0
Amount E minus amount M (if negative, enter "0")			625,982
Amount N	625,982	x	Number of days in the taxation year in 2002
			Number of days in the taxation year
			0
			x 3% =
			0
Amount N	625,982	x	Number of days in the taxation year in 2003
			Number of days in the taxation year
			366
			x 5% =
			0
Amount N	625,982	x	Number of days in the taxation year after 2003
			Number of days in the taxation year
			366
			x 7% =
			43,819
General tax reduction for Canadian-controlled private corporations - total of amounts O, P, and Q (enter amount R on line 638 of page 7)			43,819

**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
Amount S minus amount X (if negative, enter "0")				0
Amount Y	0	x	Number of days in the taxation year in 2002	0
			Number of days in the taxation year	366
				x 3% =
				0
Amount Y	0	x	Number of days in the taxation year in 2003	0
			Number of days in the taxation year	366
				x 5% =
				0
Amount Y	0	x	Number of days in the taxation year after 2003	366
			Number of days in the taxation year	366
				x 7% =
				0
General tax reduction - total of amounts Z, AA, and BB (enter amount CC on line 639 of page 7)				0



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

Aggregate investment income ..... 440 ..... 0 x 26 2/3% = ..... 0 A  
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 ..... 0

**Deduct:**

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

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

Taxable income from line 360 on page 3 ..... 625,982

**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

625,982 x 26 2/3% = 166,929 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 138,467

**Deduct:** Corporate surtax from line 600 of page 7 ..... 7,011

Net amount ..... 131,456 E

**Refundable portion of Part I tax** – Amount C, D, or E, whichever is less ..... 450 F

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the preceding taxation year ..... 460 ..... 0  
**Deduct:** Dividend refund for the previous taxation year ..... 465 ..... 0  
..... 0 A

**Add the total of:**

Refundable portion of Part I tax from line 450 above ..... 0

Total Part IV tax payable from line 360 on page 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 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 ..... 300,000 x 1/3 ..... 100,000 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** 237,873 **A**

**Corporate surtax calculation**

Base amount from line A above .....	<u>237,873</u>	<b>1</b>
<b>Deduct:</b>		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3 .....	<u>62,598</u>	<b>2</b>
Investment corporation deduction from line 620 below .....	<u>0</u>	<b>3</b>
Federal logging tax credit from line 640 below .....	<u>0</u>	<b>4</b>
Federal qualifying environmental trust tax credit from line 648 below .....	<u>0</u>	<b>5</b>

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 .....	<u>0</u>	<b>a</b>	}	<u>0</u>	<b>6</b>
28.00% of taxed capital gains .....	<u>0</u>	<b>b</b>			
Part I tax otherwise payable .....	<u>0</u>	<b>c</b>			
(line A plus lines C and D minus line F)					
Total of lines 2 to 6 .....	<u>62,598</u>	<b>7</b>			
Net amount (line 1 minus line 7) .....	<u>175,275</u>	<b>8</b>			

**Corporate surtax** – 4.00% of the amount on line 8 ..... **600** 7,011 **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 .....	<u>0</u>	<b>i</b>
Taxable income from line 360 on page 3 .....	<u>625,982</u>	
<b>Deduct:</b>		
Amount on lines 400, 405, 410, or 425 of page 4, whichever is less ..	<u>0</u>	
Net amount .....	<u>625,982</u>	<b>ii</b>

**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) ..... 244,884 **E**

**Deduct:**

Small business deduction from line 430 of page 4 .....	<u>0</u>	<b>9</b>
Federal tax abatement .....	<b>608</b> <u>62,598</u>	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 .....	<b>616</b> <u>0</u>	
Investment corporation deduction .....	<b>620</b> <u>0</u>	
(taxed capital gains <b>624</b> <u>0</u> )		
Additional deduction – credit unions from Schedule 17 .....	<b>628</b> <u>0</u>	
Federal foreign non-business income tax credit from Schedule 21 .....	<b>632</b> <u>0</u>	
Federal foreign business income tax credit from Schedule 21 .....	<b>636</b> <u>0</u>	
Accelerated tax reduction from amount N of page 4 .....	<b>637</b> <u>0</u>	
Resource deduction from line 438 of page 5 .....	<u>0</u>	<b>10</b>
General tax reduction for CCPCs from amount R of page 5 .....	<b>638</b> <u>43,819</u>	
General tax reduction from amount CC of page 5 .....	<b>639</b> <u>0</u>	
Federal logging tax credit from Schedule 21 .....	<b>640</b> <u>0</u>	
Federal political contribution tax credit .....	<b>644</b> <u>0</u>	
Federal political contributions <b>646</b> <u>0</u>		
Federal qualifying environmental trust tax credit .....	<b>648</b> <u>0</u>	
Investment tax credit from Schedule 31 .....	<b>652</b> <u>0</u>	
Subtotal .....	<u>106,417</u>	<b>F</b>

**Part I tax payable** – Line E minus line F (enter amount G on line 700 of page 8) ..... 138,467 **G**

**Summary of tax and credits****Federal tax**

Part I tax payable from page 7	700	138,467
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
<b>Total federal tax</b>		<b>138,467</b>

**Add provincial and territorial tax:**Provincial or territorial jurisdiction **750** ON

(If more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta) **760** 0Provincial tax on large corporations (New Brunswick and Nova Scotia) **765** 0Total tax payable **770** 138,467 A**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	0
Canadian film or video production tax credit refund from Form T1131	796	0
Film or video production services tax credit refund from Form T1177	797	0
Tax withheld at source	800	0

Total payments on which tax has been withheld **801** 0Allowable refund for non-resident-owned investment corporations from Schedule 28 **804** 0Provincial and territorial capital gains refund from Schedule 18 **808** 0Provincial and territorial refundable tax credits from Schedule 5 **812** 0Royalties deductible under Syncrude Remission Order **815** 0Tax remitted under Syncrude Remission Order **816** 0Tax instalments paid **840** 0Total credits **890** 0 BRefund code **894** 0 Overpayment 0 Balance (line A minus line B) 138,467**Direct deposit request**

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information **910** \_\_\_\_\_  
 Branch number

**914** \_\_\_\_\_ **918** \_\_\_\_\_  
 Institution number Account number

If the result is negative, you have an overpayment.

If the result is positive, you have a balance unpaid.

Enter the amount on whichever line applies.

We do not charge or refund a difference of \$2 or less.

Balance unpaid 138,467

Enclosed payment **898** 138,467

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** DIMMEL Last name in block letters **951** RICHARD First name in block letters **954** VP 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** 2005-03-14 Date (yyyy/mm/dd) **956** 519-776-8900 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. 1 English/Anglais ☒ 2 Français/French ☐  
 Indiquer la langue de correspondance de votre choix.

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements .....	252,973 A
---	-----------

**Additions:**

Provision for income taxes - current .....	101	301,216 ✓	
Amortization of tangible assets .....	104	1,352,567 ✓	
		-----	
Subtotal of additions .....		1,653,783	1,653,783

**Other Additions:****Miscellaneous Other Additions:**

Subtotal of Other Additions .....	199	0	0
		-----	
<b>Total Additions</b>	<b>500</b>	<b>1,653,783</b>	

**ESSEX POWERLINES CORPORATION**  
**Account/Business No.: 870066529RC0001**

**Year Ended:**

**2004-12-31**

**Sch. 001**

**Deductions:**

Capital cost allowance from Schedule 8.....	<b>403</b>	1,182,436	
		-----	
Subtotal of Deductions.....		1,182,436	1,182,436

**Other Deductions:**

**Miscellaneous Other Deductions:**

<b>700</b> Ontario capital tax - prior year .....	<b>390</b>	98,338	
		-----	
Subtotal of Other Deductions.....	<b>499</b>	98,338	98,338
		-----	
<b>Total Deductions</b>	<b>510</b>		1,280,774

**Net income (loss) for income tax purposes.....**

625,982

(enter on line 300 on the T2 return)

=====

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND**
**PART IV TAX CALCULATION**

- This schedule is for use by any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
  - taxable dividends paid for purposes of a dividend refund.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the "Income Tax Act."
- A recipient corporation is connected with a payer corporation at any time in a taxation year, if at that time the recipient corporation;
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation, at any time in the taxation year.
- If you need more space, continue on a separate schedule.
- For more information, see the sections about Schedule 3 in the "T2 Corporation Income Tax Guide."
- "X" under column A if dividend received from a foreign source. (Connected corporation only.)
- "X" under column B if the payer corporation is connected.

**Part 1 - Dividends received during the taxation year**

		Complete if payer corporation is connected	
	A	B	D
Name of payer corporation (Use only one line per corporation, abbreviating its name if necessary)		Business Number	Taxation year end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were paid
	200	205	210
			220

Complete if payer corporation is connected  
and is either a private corporation or  
a subject corporation

	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>
Name of payer corporation	Non-taxable dividend under section 83	Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)	Total taxable dividends paid by connected payer corporation	Dividend refund of the connected payer corporation	Part IV tax before deductions F x 1/3 **
	<b>230</b>	<b>240</b>	<b>250</b>	<b>260</b>	<b>270</b>
	0	0	0	0	0
	-----	-----	-----	-----	-----
Total (enter on line 320 of the T2 return)	0	0	0	0	0
	=====	=====	=====	=====	=====

For dividends received from non-connected corporation:

Part IV tax equals: Column F x Column H / Column G

\*\* Life insurers are not subject of Part IV tax on subsection 138(6) dividends.

Public corporations (other than subject corporations) do not need to calculate Part IV tax.





**Part 4 - Taxable dividends paid in the taxation year**

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above), is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of

a dividend refund (From above) ..... **460** 300,000

Other dividends paid in the taxation year

(Total of 510 to 550) ..... 0

Total dividends paid in the taxation year ..... **500** 300,000

**Deduct:**

Dividends paid out of capital dividend account ..... **510** 0

Capital gains dividends ..... **520** 0

Dividends paid on shares described in subsection 129(1.2) ..... **530** 0

Taxable dividends paid to a controlling corporation that was

bankrupt at any time in the year ..... **540** 0

Deemed dividends paid on a small business development bond ..... **550** 0

Subtotal 0 0

Taxable dividends paid in the taxation year for purposes of a dividend refund ..... 300,000

**ESSEX POWERLINES CORPORATION**
**Sch. 008**
**Account/Business No.: 870066529RC0001 Year Ended:**
**2004-12-31**
**Summary of Capital Cost Allowance**

Is the corporation electing under regulation 1101(5q)? [101] N

Class	UCC at Beginning No. of Year	Cost of Additions During Year	Adjustments	Lesser of Cost or Proceeds	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]
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[220]
1	28,587,939	1,171,485	0	0	585,742	4	0	0	1,166,947	28,592,477
10	39,846	23,568	0	0	11,784	30	0	0	15,489	47,925
Total	28,627,785	1,195,053	0	0	597,526		0	0	1,182,436	28,640,402
	✓	✓			✓				✓	✓

**ESSEX POWERLINES CORPORATION****Sch. 009****Account/Business No.: 870066529RC0001 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]
ESSEX ENERGY CORPORATION		870071123RC0001	3	0	0.00	0	0.00	0
ESSEX POWER SERVICES CORP		866121635RC0001	3	0	0.00	0	0.00	0
ESSEX POWER CORPORATION		869535435RC0001	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**

Corporate Taxprep / Taxprep des sociétés - TP-10

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS  
TO ALLOCATE THE BUSINESS LIMIT**

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

**Column 1:** Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the "Income Tax Act," not to be associated for purposes of the small business deduction.

**Column 2:** Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

**Column 3:** Enter the code that applies to each corporation:

- 1 - associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 - associated non-CCPC
- 5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"

**Column 4:** Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

**Column 5:** Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

**Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 times the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A is equal to an amount in one of the following ranges, whichever applies:

- from \$200,001 to \$225,000, if the calendar year to which this agreement applies is 2003;
- from \$225,001 to \$250,000, if the calendar year to which this agreement applies is 2004; or
- from \$250,001 to \$300,000, if the calendar year to which this agreement applies is 2005.

If the calendar year to which this agreement applies is after 2005, ensure that the total at line A does not exceed \$300,000.

**Allocation of the business limit**

Date filed (do not use this area) .....	<input type="text" value="025"/>	Year Month Day
Enter the calendar year to which the agreement applies .....	<input type="text" value="050"/>	Year
		2004

**Allocation of the business limit (cont'd)**

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? .....

☒ 076

[Y/N] [ N ]

1	2	3	4	5	6
Names of associated corporations	Business Number of associated corporations	Association code	Business limit for the year (before the allocation) \$	Percentage of the business limit %	Business limit allocated * \$
<input checked="" type="checkbox"/> 100	<input checked="" type="checkbox"/> 200	<input checked="" type="checkbox"/> 300		<input checked="" type="checkbox"/> 350	<input checked="" type="checkbox"/> 400
ESSEX POWERLINES CORPORATION	870066529RC0001	1	250,000	100.0000	250,000
See attached				.0000	0
			Total	100.0000	250,000 A
				=====	=====

\* The % of the annual business limit required to maximize the small business deduction is .0000%.

100.0000% of the annual business limit can be attributed to an associated corporation.

**Business limit reduction under subsection 125(5.1)**

The business limit reduction is calculated in the small business deduction area of the T2 return.

One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return.

If the corporation is a member of an associated group\*\*\* of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part 1.3 tax of each corporation in the associated group\*\*\* for its last taxation year ending in the preceding calendar year. The gross Part 1.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to 0.225% 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.

**ESSEX POWERLINES CORPORATION****Sch. 023-Supp.****Account/Business No.: 870066529RC0001 Year Ended: 2004-12-31****AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT**

1	2	3	4	5	6	7
			Business limit (before the allo- cation)	Percentage of the business limit %	Business limit allocated \$	Part 1.3 Tax
Name of associated corporation [100]	Business Number of associated corporation [200]	Asso- ciation code [300]		[350]	[400]	
-----						
ESSEX ENERGY CORPORATION	870071123RC0001	3	0	.0000	0	2,084
ESSEX POWER SERVICES CORP	866121635RC0001	3	0	.0000	0	7,852
ESSEX POWER CORPORATION	869535435RC0001	3	0	.0000	0	0
<b>TOTALS</b>			0	.0000	0	0

**Schedule 23-Supplementary**

Corporate Taxprep / Taxprep des sociétés - TP-10

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX**

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 or \$50,000,000 among the members of the related group.

**Do not file this agreement if no members of the related group have to pay Part I.3 tax.**

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [ Y ]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.
- Attach additional schedules if space for agreement is not sufficient.

**Agreement**

Date filed (do not use this area) .....	<input type="text" value="010"/>	Year Month Day
Is this an amended agreement? .....	<input type="text" value="020"/>	[Y/N] [ N ]
Calendar year to which the agreement applies .....	<input type="text" value="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)
<input type="text" value="200"/>	<input type="text" value="300"/>	<input type="text" value="400"/>	<input type="text" value="500"/>
ESSEX POWERLINES CORPORATION	870066529RC0001	41,000,000	
See attached		9,000,000	
		-----	
<b>Total</b> (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.

**ESSEX POWERLINES CORPORATION****Account/Business No.: 870066529RC0001 Year Ended:**  
**AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX****Sch. 036-Supp.**  
**2004-12-31**

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 or \$50,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal "Income Tax Act," a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year	Taxation year end to which this agreement applies (Note 2)
[200]	[300]	[400]	[500]
ESSEX ENERGY CORPORATION	870071123RC0001	2,000,000	
ESSEX POWER SERVICES CORP	866121635RC0001	5,000,000	
ESSEX POWER CORPORATION	869535435RC0001	2,000,000	
<b>TOTAL</b>		9,000,000	

**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.**Schedule 36 - Supplementary**

Corporate Taxprep / Taxprep des sociétés - TP-10



**ESSEX POWERLINES CORPORATION****Account/Business No.: 870066529RC0001****Year Ended:****2004-12-31****Sch. 050**

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**SHAREHOLDER INFORMATION**

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
	100	200	400	500
ESSEX POWER CORPORATION	869535435RC0001		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

**Note 1:** If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

**Note 2:** If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

**Note 3:** If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.



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

2003

# CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)

Corporations Information Act - Ministry of Consumer and Business Services (MCBS)  
(formerly Ministry of Consumer and Commercial Relations)

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 18-21. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

MCBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide)

☒ Yes ☐ No

Page 1 of 24

Ministry Use

Corporation's Legal Name (including punctuation)

ESSEX POWERLINES CORPORATION

Mailing Address

360 FAIRVIEW AVENUE WEST

Suite 218

ESSEX

ON CA N8M-3G4

Has the mailing address changed since last filed CT23 Return?

☐ Yes

Date of Change

year month day

Registered/Head Office Address

360 FAIRVIEW AVENUE WEST

Suite 218

ESSEX

ON CA N8M-3G4

Location of Books and Records

360 FAIRVIEW AVENUE WEST

Suite 218

ESSEX

ON CA N8M-3G4

Name of person to contact regarding this CT23 Return

RICHARD DIMMEL

Telephone No.

519-776-8900

Fax No.

5197767059

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

(MCBS)

ON CA

Former Corporation Name (Extra-Provincial Corporations only)

☒ Not Applicable

(MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s)

0

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

☒ No Change

Ontario Corporations Tax Account No. (MOF)

1800084

This CT23 Return covers the Taxation Year

Start

year month day  
2004-01-01

End

year month day  
2004-12-31

Date of Incorporation or Amalgamation

year month day  
2000-04-18

Ontario Corporation No. (MCBS)

1413911

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.

If applicable, enter

870066529RC0001

Jurisdiction Incorporated

ONTARIO

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

Commenced

year month day

Ceased

year month day

☒ Not Applicable

Preferred Language/Langue de préférence

☒ English  
anglais

☐ French  
français

Ministry use



## Certification (MCBS)

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

Name of Authorized Person (Print clearly or type in full)

RICHARD DIMMEL

Title: ☐ Director ☐ Officer ☒ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

ESSEX POWERLINES CORPORATION

1800084

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 &amp; 2

1 ☒ Canadian-controlled Private (CCPC) all year  
(Generally a private corporation of which  
50% or more shares are owned by  
Canadian residents.) (fed.s.125(7)(b))

2 ☐ Other Private

3 ☐ Public

4 ☐ Non-share Capital

5 ☐ Other (specify)

Share Capital with full voting rights  
owned by Canadian Residents

(nearest percent)

100%

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office no.)

If applicable, enter

Ontario Employer Health Tax Account No.  
(Use Head Office no.)

If applicable, enter

Specify major business activity

2 1 ☐ Family Farm Corporation s.1 (2)

2 ☐ Family Fishing Corporation s.1 (2)

3 ☐ Mortgage Investment Corporation s.47

4 ☐ Credit Union s.51

5 ☐ Bank Mortgage Subsidiary s.61 (4)

6 ☐ Bank s.1 (2)

7 ☐ Loan and Trust Corporation s.61 (4)

8 ☐ Non-resident Corporation  
s.2(2)(a) or (b)

9 ☐ Non-resident Corporation s.2(2)(c)

10 ☐ Mutual Fund Corporation s.48

11 ☐ Non-resident owned investment  
Corporation s.49

12 ☐ Non-resident ship or aircraft under  
reciprocal agreement with Canada s.28(b)

14 ☐ Bare Trustee Corporation

15 ☐ Branch of Non-resident s.63(1)

16 ☐ Financial institution prescribed by  
Regulation only

17 ☐ Investment Dealer

18 ☐ Generator of electrical energy for sale or  
producer of steam for use in the generation  
of electrical energy for sale

19 ☒ Hydro successor, Municipal Electrical Utility  
or subsidiary of either

20 ☐ Producer and seller of steam for uses other  
than for the generation of electricity

21 ☐ Insurance Exchange s.74.4

22 ☐ Farm Feeder Finance Co-operative  
Corporation

23 ☐ Professional Corporation  
(incorporated professionals only)

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

Was the corporation inactive throughout the taxation year?

Yes No  
☐ ☒

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

☒ ☐

Are you requesting a refund due to: the Carry-back of a Loss?

☐ ☒

an Overpayment?

☒ ☐

a Specified Refundable Tax Credit?

☐ ☒

Are you a Member of a Partnership or Joint Venture?

☐ ☒

# **Income Tax**

**Allocation** — If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

**DOLLARS ONLY**

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	625,982.
Subtract: Charitable donations	-		1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	-		2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	-		3	0.
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)	-		4	0.
Subtract: Federal Part VI.1 tax	-		5	0.
Subtract: Prior years' losses applied —	-		704	0.
Non-capital losses	-			
Net capital losses	-	From 715	714	0.
Farm losses	-		724	0.
Restricted farm losses	-		734	0.
Limited partnership losses	-		754	0.
<b>Taxable Income (Non-capital loss)</b>	=		10	625,982.
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	0.
<b>Adjusted Taxable Income</b>	=	10 + 11	20	625,982.

<b>Taxable Income</b>		<b>Number of Days in Taxation Year</b>	
From 10 (or 20 if applicable)	625,982. x 30 100.0000% X 12.5000% X	Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
	Ontario Allocation	33 0	73 366
			= + 29 0.
From 10 (or 20 if applicable)	625,982. x 30 100.0000% X 14.0000% X	Days after Dec. 31, 2003	Total Days
	Ontario Allocation	34 366	73 366
			= + 32 87,637.
<b>Income Tax Payable</b> (before deduction of tax credits)	29 + 32		= 40 87,637.

## **Incentive Deduction for Small Business Corporations (IDSBC) (s.41)**

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year?

(X) ☒ Yes ☐ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	50	625,982.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	625,982.
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.
	=	625,982.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	54	625,982.
	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	= + 48 0.
400,000 x	Days after Dec. 31, 2003	34 366	** 366	= + 47 400,000.
Business Limit for Ontario purposes	43 + 48 + 47	= 44	400,000.	
Income eligible for the IDSBC	From 30	100.0000% X	56	400,000.
	**** Ontario Allocation		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**

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## 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		
28 0 ÷ 73	366	= +	79 .0000
Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
31 0 ÷ 73	366	= +	89 .0000
Days after Dec. 31, 2003	Total Days		
34 366 ÷ 73	366	= +	90 8.5000

IDSBC Rate for Taxation Year  $\boxed{79} + \boxed{89} + \boxed{90} = \boxed{78} 8.5000$

Claim ..... From  $\boxed{60} 400,000. \times$  From  $\boxed{78} 8.5000\% = \boxed{70} 34,000.$

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  $\boxed{114}$  below.

## Surtax on Canadian-controlled private corporations (s.41.1)

**Applies** if you have claimed the Incentive Deduction for Small Business Corporations.

**\*\* Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

**Associated Corporation** - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

**\*\* Taxable income of the corporation** ..... From  $\boxed{10}$  (or  $\boxed{20}$  if applicable) +  $\boxed{80} 625,982.$

**If you are a member of an associated group** (X)  $\boxed{81} \boxed{X}$  (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 ..... +  $\boxed{82} 146,330.$

..... +  $\boxed{83}$

..... +  $\boxed{84}$

Aggregate Taxable Income  $\boxed{80} + \boxed{82} + \boxed{83} + \boxed{84}$ , etc. .... =  $\boxed{85} 772,312.$

## Number of Days in Taxation Year

Subtract: $280,000 \times$	Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days	
	28 0 ÷ 73	366	= + $\boxed{113} 0.$
$320,000 \times$	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days	
	31 0 ÷ 73	366	= + $\boxed{115} 0.$
$400,000 \times$	Days after Dec. 31, 2003	Total Days	
	34 366 ÷ 73	366	= + $\boxed{116} 400,000.$

$\boxed{113} + \boxed{115} + \boxed{116} = \boxed{114} 400,000.$

(If negative, enter nil)

=  $\boxed{86} 372,312.$

## Number of Days in Taxation Year

Calculation of Specified Rate for Surtax	Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days	
..... $4.3330\% \times$	28 0 ÷ 73	366	= + $\boxed{95} .0000$
..... $4.6670\% \times$	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days	
	31 0 ÷ 73	366	= + $\boxed{96} .0000$
..... $4.6670\% \times$	Days after Dec. 31, 2003	Total Days	
	34 366 ÷ 73	366	= + $\boxed{97} 4.6670$
Specified rate of surtax for Taxation Year			= $\boxed{94} 4.6670$

From  $\boxed{86} 372,312. \times$  From  $\boxed{94} 4.6670\% = \boxed{87} 17,376.$

From  $\boxed{87} 17,376. \times$  From  $\boxed{60} 400,000. \div$  From  $\boxed{114} 400,000. = \boxed{88} 17,376.$

Surtax Lesser of  $\boxed{70}$  or  $\boxed{88}$

continued on Page 6

=  $\boxed{100} 17,376.$

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**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	17,376.00	+	From 30	100.0000%
			From 78	8.5000%
			= 121	204,424.
Lesser of 56 or 121				
120 - 56 + 122		+	122	204,424.
			130	0.
<b>Taxable Income</b>				
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	.....	-	From 10	625,982.
Add: Adjustments for Surtax on Canadian-controlled private corporations	.....	+	From 56	400,000.
Subtract: Taxable Income 10	625,982.	X	Allocation % to jurisdictions outside Canada	.0000%
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	.....	-	140	0.
10 - 56 + 122 - 140 - 141		-	141	0.
		=	142	430,406.

**Claim****Number of Days in Taxation Year**

143 0. X From 30 100.0000% X 1.5000% X 

Days after Sept. 30, 2001 and before Jan. 1, 2004		Total Days
39	0 + 73	366

 = + 154 0.

143 0. X From 30 100.0000% X 2.0000% X 

Days after Dec. 31, 2003		Total Days
34	0 + 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 71,013.*continued on Page 7*

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**Income Tax** continued from Page 6**Specified Tax Credits** (Refer to Guide)**Ontario Innovation Tax Credit (OITC) (s.43.3)** Applies to research and development in Ontario.

Eligible Credit From 5620 OITC Claim Form (Attach original Claim Form)

191 0.

**Co-operative Education Tax Credit (CETC) (s.43.4)** Applies to employment of eligible students.

Eligible Credit From 5798 Summary Schedule F

192 0.

**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)**

Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.

Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.

(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)

193 0.

**Graduate Transitions Tax Credit (GTTC) (s.43.6)**

Applies to employment of eligible unemployed post secondary graduate.

Eligible Credit From 6598 Summary Schedule G

No. of Graduates From 6596

194 0

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&amp;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 71,013.

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.

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**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]	36,783,134.	
* Total Revenue of the corporation	.....	+	[241]	8,408,736.	

**If you are a member of an associated group** (x) [242] ☒ (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Total Revenue
See attached			[243] 27,258,240.	[244] 9,317,867.
			[245] .....	[246] .....
			[247] .....	[248] .....
Aggregate Total Assets	[240] + [243] + [245] + [247], etc.		[249] 64,041,374.	
Aggregate Total Revenue	[241] + [244] + [246] + [248], etc.			[250] 17,726,603.

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] 554,189.	X From	[30] 100.0000%	X	4.0000% =	[278] 22,168.
			If negative, enter zero		Ontario Allocation			
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)	.....							[277] 0.
Subtract: Income Tax	.....							From [190] 71,013.
<b>Net CMT Payable</b> (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**

<b>A. Income Tax (before deduction of specified credits)</b>	.....	+	From [190]	71,013.
Gross CMT Payable	.....	+	From [276] 22,168.	
Subtract: Foreign Tax Credit for CMT purposes	.....	-	From [277] 0.	
If [276] - [277] is negative, enter NIL in [290]	.....	=	22,168.	[290] 22,168.
<b>Income Tax eligible for CMT Credit</b>	.....	=		[300] 48,845.
<b>B. Income Tax (after deduction of specified credits)</b>	.....	+	From [230]	71,013.
Subtract: CMT credit used to reduce income taxes	.....	-	[310] 0.	
<b>Income Tax</b>	.....	=		[320] 71,013.

Transfer to page 17

If A & B apply, [310] cannot exceed the lesser of [230], [300] and your CMT credit carryover available [2307].

If only B applies, [310] cannot exceed the lesser of [230] and your CMT credit carryover available [2307].



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**Capital Tax** (Refer to Guide and Int.B. 3011)

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If

Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

**Paid-up Capital of Non-resident:** Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

**Paid-up Capital**

Paid-up capital stock (Int.B. 3012 and 3015)	+	350	5.
Retained earnings (if deficit, deduct) (Int.B. 3012)	±	351	807,774.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+	352	0.
Loans and advances (Attach schedule) (Int.B. 3013)	+	353	21,717,274.
Bank loans (Int.B. 3013)	+	354	6,600,000.
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	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	+	362	0.
<b>Subtotal</b>	=	370	29,125,053.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	-	371	-5,745,630.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	-	372	0.
<b>Total Paid-up Capital</b>	=	380	34,870,683.
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.
<b>Net Paid-up Capital</b>	=	390	34,870,683.

**Eligible Investments** (Refer to Guide and Int.B. 3015)

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	0.
Mortgages due from other corporations	+	403	0.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	+	404	0.
Loans and advances to unrelated corporations	+	405	0.
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	+	406	0.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	+	407	0.
<b>Total Eligible Investments</b>	=	410	0.

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**Capital Tax** *continued from Page 9***Total Assets** (Int.B. 3015)

Total Assets per balance sheet	+	420	36,783,134.
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.
<b>Total Assets as adjusted</b>	=	430	36,783,134.
Amounts in 380 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	-5,745,630.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
<b>Total Assets</b>	=	450	42,528,764.

<b>Investment Allowance</b>	( 410 ÷ 450 ) × 390	Not to exceed 410	= 460	0.
<b>Taxable Capital</b>	390 - 460		= 470	34,870,683.

**Gross Revenue** (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

480 8,408,736. ✓

**Total Assets** (as adjusted)

From 430 36,783,134. ✓

**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.	×	From 30	100.0000%	×	.3000% × 555 366
					Ontario Allocation		366
							366 (366 if leap year)
							Transfer to 543 on page 12 and complete the return from that point

\*\* If floating taxation year, refer to Guide.

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**Capital Tax Calculation** *continued from Page 10***SECTION C**

This section applies **ONLY** to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either **509** or **524** and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

**C1.** ☐ **509** (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital **470** on page 10 is \$5,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.

If taxable capital **470** on page 10 exceeds \$5,000,000 proceed to **Section D**, enter \$5,000,000 in **542** Section D, and complete Section D and the return from that point.

**C2.** ☒ **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** 34,870,683.

**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** 5,910,160.

+ **532**                     .

+ **533**                     .

Aggregate Taxable Capital **470** + **531** + **532** + **533**, etc. .... = **540** 40,780,843.

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** 34,870,683. + From **540** 40,780,843. x 5,000,000 ..... = **541** 4,275,375.

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.

[illegible]

## 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**

$$+ \quad \text{From } 470 \text{ } 0. \times \text{ From } 30 \text{ } 100.0000\% \times 3000\% \dots = + 561 \text{ } 0.$$

- 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** ..... 582 ..... 0. x  $\frac{\text{Days in taxation year}}{\text{366}}$  ..... = 583 ..... 0.

*Transfer to 543 and complete the return from that point*

*(366 if leap year)*

**\*\* If floating taxation year, refer to Guide.**

<b>Capital Tax before application of specified credits</b>	.....	=	<b>543</b>	<b>91,786.</b>
Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)	.....	-	<b>546</b>	<b>0.</b>
<b>Capital Tax</b> <b>543</b> - <b>546</b> (amount cannot be negative)	.....	=	<b>550</b>	<b>91,786.</b>

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**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.)

$$\begin{array}{l} \text{565 } 0. \times 0.6\% \times \text{From } 30 \text{ Ontario Allocation } \% \times \frac{\text{Days in taxation year}}{365 \text{ (if leap year)}} = + \text{569 } 0. \\ \text{Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1} \end{array}$$

$$\begin{array}{l} \text{570 } 0. \times \text{571 } 0.00\% \times \text{From } 30 \text{ Ontario Allocation } \% \times \frac{\text{Days in taxation year}}{365 \text{ (if leap year)}} = + \text{574 } 0. \\ \text{Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount} \end{array}$$

**Capital Tax for Financial Institutions – other than Credit Unions (before Section II)**

$$\text{569} + \text{574} = \text{575 } 0.$$

**\*\* 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.)

$$\text{Allowable Credit for Eligible Investments} = \text{585 } 0.$$

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

$$\text{Capital Tax – Financial Institutions } \text{575} - \text{585} = \text{586 } 0.$$

Transfer to **549** on Page 12**Premium Tax (s.74.2 & 74.3) (Refer to Guide)**

$$\text{(1) Uninsured Benefits Arrangements } \text{587 } 0. \times 2\% = \text{588 } 0.$$

**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.

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} = \text{589 } 0.$$

$$\text{Premium Tax } \text{588} - \text{589} = \text{590 } 0.$$

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# 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

+ 600 625,982

Transfer to Page 15

## Add:

Federal capital cost allowance	601	1,182,436
Federal cumulative eligible capital deduction	602	0
Ontario taxable capital gain	603	0
Federal non-allowable reserves, Balance beginning of year	604	0
Federal allowable reserves, Balance end of year	605	0
Ontario non-allowable reserves, Balance end of year	606	0
Ontario allowable reserves, Balance beginning of year	607	0
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608	0
Federal resource allowance	609	0
Federal depletion allowance	610	0
Federal foreign exploration and development expenses	611	0
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

## Number of Days in Taxation Year

Days after  
Sept. 30, 2001 and  
before Jan. 1, 2004

612 0 x 5 ÷ 12,5000 x 33 0 ÷ 73 366 = + 633 0

Days after  
Dec. 31, 2003

612 0 x 5 ÷ 14,0000 x 34 366 ÷ 73 366 = + 634 0

Total add-back amount for Management fees, etc. 633 + 634 = 0 + 613 0

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661  
excluding any negative amount in 473 from Ont. CT23 schedule 161 + 615 0

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 0

Federal allowable business investment loss + 620 0

Total of other items not allowed by Ontario but allowed federally (Attach schedule) + 614 0

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = 1,182,436 640 1,182,436

Transfer to Page 15

## Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	650	1,182,436
Ontario cumulative eligible capital deduction	651	0
Federal taxable capital gain	652	0
Ontario non-allowable reserves, Balance beginning of year	653	0
Ontario allowable reserves, Balance end of year	654	0
Federal non-allowable reserves, Balance end of year	655	0
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	1,182,436

Transfer to 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  $\pm$  **600** 625,982.

Total of Additions ..... From  $=$  **640** 1,182,436.

Sub Total of deductions on page 14 ..... From  $=$  **681** 1,182,436.

## 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:

Gross-up of CCA  
 From **662** 0. x  $\frac{100}{100.0000}$  - From **662** 0. = **663** 0.  
 From **30** 100.0000  
 Ontario Allocation

## Workplace Child Care Tax Incentive

Qualifying expenditures: **665** 0. x  $\frac{30.00\%}{100.0000}$  x  $\frac{100}{100.0000}$  = **666** 0.  
 From **30** 100.0000  
 Ontario Allocation

## Workplace Accessibility Tax Incentive

Qualifying expenditures: **667** 0. x  $\frac{100.00\%}{100.0000}$  x  $\frac{100}{100.0000}$  = **668** 0.  
 From **30** 100.0000  
 Ontario Allocation

Number of  
 Employees accommodated **669** 0.

## Ontario School Bus Safety Tax Incentive (OSBSTI) (Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

Qualifying expenditures: **670** 0. x  $\frac{30.00\%}{100.0000}$  x  $\frac{100}{100.0000}$  = **671** 0.  
 From **30** 100.0000  
 Ontario Allocation

## Educational Technology Tax Incentive (Applies to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: **672** 0. x  $\frac{15.00\%}{100.0000}$  x  $\frac{100}{100.0000}$  = **673** 0.  
 From **30** 100.0000  
 Ontario Allocation

Ontario allowable business investment loss ..... + **678** 0.

Ontario Scientific Research Expenses claimed in year in **477**  
 from Ont. CT23 Schedule 161 ..... + **679** 0.

Amount added to income federally for an amount that was negative on federal form T661,  
 line 454 or 455 (if filed after June 30, 2003) ..... + **677** 0.

Total of other deductions allowed by Ontario (Attach schedule) ..... + **664** 0.

Total of Deductions **681** + **663** + **666** + **668** + **671** + **673** + **678** + **679** + **677** + **664** .. = 1,182,436. **680** 1,182,436.

Net income (loss) for Ontario Purposes **600** + **640** - **680** ..... = **690** 625,982.

Transfer to Page 4

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## 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)
<b>Balance at Beginning of Year</b>	700 (2)	710 (2)	720 (2)	730	740	750
	0	0	0	0	0	0
<b>Add:</b>	701	711	721	731	741	751
Current year's losses (7)	0	0	0	0	0	0
Losses from predecessor corporations (3)	702	712	722	732		752
	0	0	0	0		0
<b>Subtotal</b>	703	713	723	733	743	753
	0	0	0	0	0	0
<b>Subtract:</b>	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	0	0	0	0	0	0
Expired during the year	705		725	735	745	
	0		0	0	0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
	0	0	0	0	0	
<b>Subtotal</b>	707	717	727	737	747	757
	0	0	0	0	0	0
<b>Balance at End of Year</b>	709 (6)	719	729	739	749	759
	0	0	0	0	0	0

## Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

## Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1996-09-30				850	870
				0	0
801 8th preceding taxation year 1997-09-30				851	871
				0	0
802 7th preceding taxation year 1998-09-30				852	872
				0	0
803 6th preceding taxation year 1999-09-30	820	830	840	853	873
	0	0	0	0	0
804 5th preceding taxation year 2000-09-30	821	831	841	854	874
	0	0	0	0	0
805 4th preceding taxation year 2001-09-30	822	832	842	855	875
	0	0	0	0	0
806 3rd preceding taxation year 2001-12-31	823	833	843	856	876
	0	0	0	0	0
807 2nd preceding taxation year 2002-12-31	824	834	844	857	877
	0	0	0	0	0
808 1st preceding taxation year 2003-12-31	825	835	845	858	878
	0	0	0	0	0
809 Current taxation year 2004-12-31	826	836	846	859	879
	0	0	0	0	0
<b>Total</b>	829	839	849	869	889
	0	0	0	0	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
<b>Total amount of loss</b>	910	920	930	940
	0	0	0	0
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income				
<b>Predecessor Ontario Corporation's Tax Account No. (MOF)</b>				
<b>Taxation Year Ending year month day</b>				
i) 3rd preceding	901	921	931	941
	0	0	0	0
ii) 2nd preceding	902	922	932	942
	0	0	0	0
iii) 1st preceding	903	923	933	943
	0	0	0	0
<b>Total loss to be carried back</b>	From 706	From 716	From 726	From 736
	0	0	0	0
<b>Balance of loss available for carry-forward</b>	919	929	939	949
	0	0	0	0

**Summary**

<b>Income tax</b>	+ From 230 or 320	71,013.
<b>Corporate Minimum Tax</b>	+ From 280	0.
<b>Capital Tax</b>	+ From 550	91,786.
<b>Premium Tax</b>	+ From 590	0.
<b>Total Tax Payable</b>	= 950	162,799.
<b>Subtract: Payments</b>	- 960	308,500.
<b>Capital Gains Refund (s.48)</b>	- 965	0.
<b>Qualifying Environmental Trust Tax Credit (Refer to Guide)</b>	- 985	0.
<b>Specified Tax Credits (Refer to Guide)</b>	- 955	0.
<b>Other (specify)</b>	-	0.
<b>Balance</b>	= 970	-145,701.
<b>If payment due</b>	Enclosed *	990 0.
<b>If overpayment: Refund (Refer to Guide)</b>	.. = 975	145,701.
<b>Apply to</b>	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)

RICHARD DIMMEL

Title

VP of Finance

Full Residence Address

Signature

Date

2005-03-14

**Note:** Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

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**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] 252,973. ✓

**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 ..... = [2109] 0.

**Add (to extent reflected in net income/loss):**

Provision for current taxes / cost of current income taxes	.....	+	[2110]	301,216. ✓
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 ..... = 301,216. [2115] 301,216.

**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] 554,189. ✓

\*\* 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] 554,189.

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] 554,189.

Transfer to CMT Base on Page 8

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## Corporate Minimum Tax (CMT)



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## 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
<b>2240</b>	9th preceding taxation year 1996-09-30	<b>2260</b> 0	<b>2280</b> 0
<b>2241</b>	8th preceding taxation year 1997-09-30	<b>2261</b> 0	<b>2281</b> 0
<b>2242</b>	7th preceding taxation year 1998-09-30	<b>2262</b> 0	<b>2282</b> 0
<b>2243</b>	6th preceding taxation year 1999-09-30	<b>2263</b> 0	<b>2283</b> 0
<b>2244</b>	5th preceding taxation year 2000-09-30	<b>2264</b> 0	<b>2284</b> 0
<b>2245</b>	4th preceding taxation year 2001-09-30	<b>2265</b> 0	<b>2285</b> 0
<b>2246</b>	3rd preceding taxation year 2001-12-31	<b>2266</b> 0	<b>2286</b> 0
<b>2247</b>	2nd preceding taxation year 2002-12-31	<b>2267</b> 0	<b>2287</b> 0
<b>2248</b>	1st preceding taxation year 2003-12-31	<b>2268</b> 0	<b>2288</b> 0
<b>2249</b>	Current taxation year 2004-12-31	<b>2269</b> 0	<b>2289</b> 0
<b>Totals</b>		<b>2270</b> 0	<b>2290</b> 0

The sum of amounts **2270** + **2290**  
must equal amount in **2214**.

ESSEX POWERLINES CORPORATION

1800084

2004-12-31

## Corporate Minimum Tax (CMT)



DOLLARS ONLY

## Schedule D: Continuity of CMT Credit Carryovers

**Balance at Beginning of year (1)** ..... + **2301** ..... 0.

**Add:** Current year's CMT Credit ( **280** on page 8. If negative, enter NIL) ..... + From **280** ..... 0.

CMT Credit Carryovers from predecessor corporations (2) ..... + **2302** ..... 0.

Amalgamation (x) **2303** ☐ Yes Wind-up (x) **2304** ☐ Yes

**Subtotal** ..... = ..... 0. + **2305** ..... 0.

**Adjustments (Attach schedule)** ..... ± **2306** ..... 0.

**CMT credit carryover available** **2301** + **2305** ± **2306** ..... = **2307** ..... 0. *Transfer to Page 8*

**Subtract:** CMT Credit utilized during the year to reduce income tax (Page 8) ..... + From **310** ..... 0.

CMT Credit expired during the year ..... + **2308** ..... 0.

**Subtotal** ..... = ..... 0. - **2309** ..... 0.

**Balance at End of Year (3)** **2307** - **2309** ..... = **2310** ..... 0.

## Notes:

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (3) Amount in **2310** must equal sum of **2370** + **2390**.

## Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
<b>2340</b>	9th preceding taxation year 1996-09-30	<b>2360</b> 0	<b>2380</b> 0
<b>2341</b>	8th preceding taxation year 1997-09-30	<b>2361</b> 0	<b>2381</b> 0
<b>2342</b>	7th preceding taxation year 1998-09-30	<b>2362</b> 0	<b>2382</b> 0
<b>2343</b>	6th preceding taxation year 1999-09-30	<b>2363</b> 0	<b>2383</b> 0
<b>2344</b>	5th preceding taxation year 2000-09-30	<b>2364</b> 0	<b>2384</b> 0
<b>2345</b>	4th preceding taxation year 2001-09-30	<b>2365</b> 0	<b>2385</b> 0
<b>2346</b>	3rd preceding taxation year 2001-12-31	<b>2366</b> 0	<b>2386</b> 0
<b>2347</b>	2nd preceding taxation year 2002-12-31	<b>2367</b> 0	<b>2387</b> 0
<b>2348</b>	1st preceding taxation year 2003-12-31	<b>2368</b> 0	<b>2388</b> 0
<b>2349</b>	Current taxation year 2004-12-31	<b>2369</b> 0	<b>2389</b> 0
<b>Totals</b>		<b>2370</b> 0	<b>2390</b> 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%
	=====

## Surtax on Canadian-Controlled Private Corporations

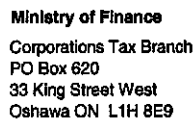
Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
ESSEX POWERLINES CORPORATION	1800084	2004-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
ESSEX ENERGY CORPORATION	1800081	2004-12-31	+ ✓ 47,857
ESSEX POWER SERVICES CORP.	1800083	2004-12-31	+ ✓ 21,204
ESSEX POWER CORPORATION	1800082	2004-12-31	+ ✓ 77,269
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
<b>Total</b>			= 146,330

Transfer to **85** of the CT23







Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
ESSEX POWERLINES CORPORATION	1800084	2004-12-31

(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)

Note Payable	+	21,717,274
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
Total	=	21,717,274

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

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

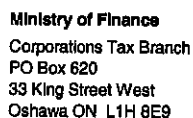
1	2	3	4	5	6	7	8	9	10	11	12	13
Class number	Ontario under-precipitated capital cost at the beginning of the year (under-precipitated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use)	Net adjustments (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario under-precipitated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)	Reduced undepreciated capital cost (column 6 minus acquisitions column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario under-precipitated capital cost at the end of the year (column 6 minus column 12)

See note 1 below

See note 2 below

1	28,587,939	1,171,485	0	0	29,759,424	585,742	29,173,682	4	0	0	1,166,947	28,592,477
10	39,846	23,568	0	0	63,414	11,784	51,630	30	0	0	15,489	47,925
Total	28,627,785	1,195,053	0	0	29,822,838	597,526	29,225,312		0	0	1,182,436	28,640,402
									Enter in boxes [650]	[650]	[650] on the CT23	

- ote 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).
- ote 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.
- ote 3. If the taxation year is shorter than 365 days, prorate the CCA claim.
- ote 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.



(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
ESSEX POWERLINES CORPORATION	1800084	2004-12-31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

[illegible]

Transfer to box **540** of the CT23

## T2 CORPORATION INCOME TAX RETURN

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation - Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 Do not use this area

## Identification

Business Number (BN) ..... 001 87006 6529 RC0001

## Corporation's name

002 ESSEX POWERLINES CORPORATION

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 ☒

011 360 FAIRVIEW AVENUE WEST

012 Suite 218

City Province, territory, or state

015 ESSEX 016 ON

Country (other than Canada) Postal code/ZIP code

017 018 N8M 3G4

## 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

022 360 FAIRVIEW AVENUE WEST

023 Suite 218

City Province, territory, or state

025 ESSEX 026 ON

Country (other than Canada) Postal code/ZIP code

027 028 N8M 3G4

## 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 ☒

031 360 FAIRVIEW AVENUE WEST

032 Suite 218

City Province, territory, or state

035 ESSEX 036 ON

Country (other than Canada) Postal code/ZIP code

037 038 N8M 3G4

## 040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation2 ☐ Other private corporation 5 ☐ Other corporation (specify, below)3 ☐ Public corporation

If the type of corporation changed during the taxation year, provide the effective date of the change ..... 043

YYYY MM DD

## To which taxation year does this return apply?

Taxation year start

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 <input checked="" type="checkbox"/>	9
Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
Is the corporation an associated Canadian-controlled private corporation?	160 <input checked="" type="checkbox"/>	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161 <input type="checkbox"/>	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 <input type="checkbox"/>	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 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	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 <input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202 <input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	6
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 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	210 <input type="checkbox"/>	10
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input type="checkbox"/>	T661
Is the corporation subject to gross Part 1.3 tax?	233 <input type="checkbox"/>	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236 <input checked="" type="checkbox"/>	36
Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	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 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	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 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax?	255 <input type="checkbox"/>	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 <input type="checkbox"/>	T1134-A
Did the corporation have any controlled foreign affiliates?	258 <input type="checkbox"/>	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259 <input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	260 <input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261 <input type="checkbox"/>	T1142
As the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262 <input type="checkbox"/>	T1145
As the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263 <input type="checkbox"/>	T1146
As the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264 <input type="checkbox"/>	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.)

Does the major business activity involve the resale of goods, show whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☒ X

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	LDC - BILL & COLLECT	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 GIFL. 300 834,217 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	
<b>Subtotal</b>		B
<b>Subtotal (amount A minus amount B) (if negative, enter "0")</b>	834,217	C
<b>Add:</b> Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355	D
<b>Taxable income (amount C plus amount D)</b>	834,217	
<b>Income exempt under paragraph 149(1)(t)</b>	370	
<b>Taxable Income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)</b>	834,217	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** 834,217 A  
 Taxable income from line 360 on page 3, minus 10/3 of the amount on line 632\* on page 7, minus 3 times the amount on line 636\*\* on page 7, and minus any amount that, because of federal law, is exempt from Part I tax ..... **405** 834,217 B

### Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

225,000	x	Number of days in the taxation year in 2003	=	1
		Number of days in the taxation year	365	
250,000	x	Number of days in the taxation year in 2004	=	2
		Number of days in the taxation year	365	
300,000	x	Number of days in the taxation year after 2004	365 =	300,000 3
		Number of days in the taxation year	365	
Add amounts at lines 1, 2, and 3			300,000	4
Business limit (see notes 1 and 2 below)			<b>410</b>	300,000 C

- Notes:**
- For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.
  - For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

### Business limit reduction:

Amount C 300,000 x **415 \*\*\*** 47,081 D = 1,255,493 E  
 11,250

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... **425** F  
 Small business deduction - 16.00 % of whichever amount is the least: A, B, C, or F ..... **430** G

Enter amount G on line 9 of page 7)

- \* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.  
 \*\* Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

### \*\*\* Large corporation tax

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus \$10,000,000).
- If the corporation is not associated with any corporations in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its preceding taxation year.
- If the corporation is not associated with any corporations in the current taxation year, but was associated in the preceding taxation year, enter the corporation's gross Part I.3 tax for its current taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

## Accelerated tax reduction

### Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)	x	300,000	=	A
		line 4 above		
Net active business income (amount from line 400) *				834,217 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				834,217 C
<b>Deduct:</b>				
Aggregate investment income (amount from line 440 of page 6)			D	
Amount C minus amount D (if negative, enter "0")		834,217		834,217 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 from line 435 above				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)]				<b>435</b>	<u>                    </u>	A
Amount A	x	Number of days in the taxation year in 2004		x 2 % =		B
		Number of days in the taxation year	365			
Amount A	x	Number of days in the taxation year in 2005	365	x 3 % =		C
		Number of days in the taxation year	365			
Amount A	x	Number of days in the taxation year in 2006		x 5 % =		D
		Number of days in the taxation year	365			
Amount A	x	Number of days in the taxation year after 2006		x 7 % =		E
		Number of days in the taxation year	365			
Resource deduction – total of amounts B, C, D, and E				<b>438</b>	<u>                    </u>	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					<u>834,217</u>	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")					<u>834,217</u>	J	
Amount J	<u>834,217</u>	x	Number of days in the taxation year after 2003	365	x 7 % =	<u>58,395</u>	K
			Number of days in the taxation year	365			
General tax reduction for Canadian-controlled private corporations – amount K					<u>58,395</u>	L	
(enter amount L on line 638 of page 7)							

### General tax reduction

#### Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation

Taxable income from line 360 on page 3						M
Amount Z from Part 9 of Schedule 27	x	100 / 7 =				N
Amount QQ from Part 13 of Schedule 27						O
Taxable resource income from line 435 above						P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)						Q
Total of amounts N, O, P, and Q						R
Amount M minus amount R (if negative, enter "0")						S
Amount S	x	Number of days in the taxation year after 2003	365	x 7 % =		T
		Number of days in the taxation year	365			
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 ..... **440** ..... x 26 2 / 3 % = ..... **A**  
Amount P from Part 1 of Schedule 7)

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

Deduct:

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

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

Taxable income from line 360 on page 3 ..... **834,217**

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 = .....

**834,217**  
x 26 2 / 3 % = **222,458 D**

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ..... **184,528**

Deduct: Corporate surtax from line 600 of page 7 ..... **9,343**  
Net amount ..... **175,185** ..... **175,185 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 ..... **600,000** x 1 / 3 ..... **200,000 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** 317,002 **A****Corporate surtax calculation**Base amount from line A above . . . . . 317,002 **1****Deduct:**10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 . . . . . 83,422 **2**Investment corporation deduction from line 620 below . . . . . 3 **3**Federal logging tax credit from line 640 below . . . . . 4 **4**Federal qualifying environmental trust tax credit from line 648 below . . . . . 5 **5**For a mutual fund corporation or an investment corporation throughout the  
taxation year, enter amount a, b, or c below on line 6, whichever is the least:28.00 % of taxable income from line 360 of page 3 . . . . . a **6**28.00 % of taxed capital gains . . . . . b **6**Part I tax otherwise payable . . . . . c **6**

(line A plus lines C and D minus line F)

Total of lines 2 to 6 . . . . . 83,422 **7**Net amount (line 1 minus line 7) . . . . . 233,580 **8****Corporate surtax** — 4.00 % of the amount on line 8 . . . . . **600** 9,343 **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 . . . . . iTaxable income from line 360 on page 3 . . . . . 834,217**Deduct:**Amount on line 400, 405, 410, or 425 of page 4,  
whichever is the least . . . . . 834,217 **834,217** **ii**Net amount . . . . . 834,217 **834,217** **ii****Refundable tax on CCPC's investment income** — 6 2 / 3 % of whichever is less: amount i or ii . . . . . **604** DSubtotal (add lines A, B, C, and D) 326,345 **E****Deduct:**Small business deduction from line 430 of page 4 . . . . . 608 83,422 **9**Federal tax abatement . . . . . 616Manufacturing and processing profits deduction from amount BB  
or amount RR of Schedule 27 . . . . . 620Investment corporation deduction  
(taxed capital gains **624** ) . . . . . 628Additional deduction — credit unions from Schedule 17 . . . . . 632Federal foreign non-business income tax credit from Schedule 21 . . . . . 636Federal foreign business income tax credit from Schedule 21 . . . . . 637Accelerated tax reduction from amount N on page 4 . . . . . 10Resource deduction from line 438 on page 5 . . . . . 638 58,395General tax reduction for CCPCs from amount R on page 5 . . . . . 639General tax reduction from amount U on page 5 . . . . . 640Federal logging tax credit from Schedule 21 . . . . . 644Federal political contribution tax credit . . . . . 646Federal political contributions **648**Federal qualifying environmental trust tax credit . . . . . 652Investment tax credit from Schedule 31 . . . . . 141,817 **141,817** **F****Part I tax payable** — Line E minus line F (enter amount G on line 700 of page 8) . . . . . 184,528 **G**

## Summary of tax and credits

### Federal tax

Part I tax payable from page 7	700	184,528
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		184,528

### 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 Quebec, Ontario, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	184,528 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	
Refund code	894	Overpayment
Balance (line A minus line B)		184,528 B

### Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information ☐ 910 Branch number

☐ 914 Institution number ☐ 918 Account number

If the result is negative, you have an **overpayment**.  
If the result is positive, you have a **balance unpaid**.  
Enter the amount on whichever line applies.  
Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid 184,528  
Enclosed payment 898 184,528

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 DIMMEL Last name 951 RICHARD First name 954 VP of Finance Position, office, or rank

I am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 2006-04-05 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 956 (519) 776-8900 Telephone number

Is the contact person the same as the authorized signing officer? If No, complete the information below 957 1 Yes ☒ 2 No ☐

958 Name Telephone number

### Language of correspondence - Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. 1 English / Anglais ☒ 2 Français / French ☐  
Indiquer la langue de correspondance de votre choix.

# NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
ESSEX POWERLINES CORPORATION	87006 6529 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.

Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).

Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

For more information, see the *T2 Corporation Income Tax Guide*.

Net income (loss) after taxes and extraordinary items per financial statements		543,554	A
<b>Add:</b>			
Provision for income taxes – current	101	301,318	
Amortization of tangible assets	104	1,272,141	
Subtotal of additions		1,573,459	1,573,459
<b>Other additions:</b>			
Miscellaneous other additions:			
Subtotal of other additions	199	0	0
Total additions	500	1,573,459	1,573,459
<b>Deduct:</b>			
Capital cost allowance from Schedule 8	403	1,191,009	
Subtotal of deductions		1,191,009	1,191,009
<b>Other deductions:</b>			
Miscellaneous other deductions:			
700 Ontario capital tax - prior year	390	91,787	
Subtotal of other deductions	499	91,787	91,787
Total deductions	510	1,282,796	1,282,796
Net income (loss) for income tax purposes – enter on line 300 of the T2 return			834,217

DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND  
PART IV TAX CALCULATION

## SCHEDULE 3

Name of corporation	Business Number	Taxation year end Year Month Day
ESSEX POWERLINES CORPORATION	87006 6529 RC0001	2005-12-31

This schedule is for the use of any corporation to report:

- non-taxable dividends under section 83;
- deductible dividends under subsection 138(6);
- taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
- taxable dividends paid for purposes of a dividend refund.

The calculations in this schedule apply only to private or subject corporations.

Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.

A recipient corporation is connected with a payer corporation at any time in a taxation year, if at that time the recipient corporation:

- controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
- owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.

File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.For more information, see the sections about Schedule 3 in the *T2 Corporation Income Tax Guide*.

"X" under column A if dividend received from a foreign source (connected corporation only).

"X" under column B if the payer corporation is connected.

## Part 1 – Dividends received during the taxation year

Do not include dividends received from foreign non-affiliates.

Complete if payer corporation is connected

A	B	C Business Number	D Taxation year end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were paid YYYY/MM/DD
Name of payer corporation (Use only one line per corporation, abbreviating its name if necessary)			
200	205	210	220
1			

**Note:** If your corporation's taxation year end is different than that of the connected payer corporation, your corporation could have received dividends from more than one taxation year of the payer corporation. If so, use a separate line to provide the information for each taxation year of the payer corporation.

If payer corporation is not connected, leave these columns blank.				
E Non-taxable dividend under section 83	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)	G Total taxable dividends paid by connected payer corporation	H Dividend refund of the connected payer corporation	I Part IV tax before deductions F x 1 / 3 *
230	240	250	260	270
1				
Total (enter amount of column F on line 320 of the T2 return)				
				J

For dividends received from connected corporations:

Part IV tax equals:  $\frac{\text{Column F} \times \text{Column H}}{\text{Column G}}$ 

\* Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

Public corporations (other than subject corporations) do not need to calculate Part IV tax.

**Part 2 – Calculation of Part IV tax payable**

Part IV tax before deductions (amount J in Part 1) .....

**Deduct:**

Part IV tax payable on dividends subject to Part IV tax ..... **320** .....

Subtotal .....

**Deduct:**

Current-year non-capital loss claimed to reduce Part IV tax ..... **330** .....

Non-capital losses from previous years claimed to reduce Part IV tax ..... **335** .....

Current-year farm loss claimed to reduce Part IV tax ..... **340** .....

Farm losses from previous years claimed to reduce Part IV tax ..... **345** .....

Total losses applied against Part IV tax .....  $\times 1 / 3 =$  .....

Part IV tax payable (enter amount on line 712 of the T2 return) ..... **360** .....

**Part 3 – Taxable dividends paid in the taxation year for purposes of a dividend refund**

A	B	C	D
Name of connected recipient corporation	Business Number	Taxation year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD	Taxable dividends paid to connected corporations
<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>
1			

**Note**

If your corporation's taxation year end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one taxation year of the recipient corporation. If so, use a separate line to provide the information for each taxation year of the recipient corporation.

Total .....

Total taxable dividends paid in the taxation year to other than connected corporations ..... **450** ..... 600,000

Total taxable dividends paid in the taxation year for the purposes of a dividend refund  
(total of column D above plus line 450) ..... **460** ..... 600,000

**Part 4 – Total dividends paid in the taxation year**

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above) is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (from above) ..... **460** ..... 600,000

Other dividends paid in the taxation year (total of 510 to 540) ..... **500** ..... 600,000

Total dividends paid in the taxation year .....

**Deduct:**

Dividends paid out of capital dividend account ..... **510** .....

Capital gains dividends ..... **520** .....

Dividends paid on shares described in subsection 129(1.2) ..... **530** .....

Taxable dividends paid to a controlling corporation that was  
bankrupt at any time in the year ..... **540** .....

Subtotal ..... **600,000**

Total taxable dividends paid in the taxation year for purposes of a dividend refund ..... **600,000**

## CAPITAL COST ALLOWANCE (CCA)

Name of corporation <b>ESSEX POWERLINES CORPORATION</b>		Business Number <b>87006 6529 RC0001</b>	Taxation year end Year Month Day <b>2005-12-31</b>
--	--	---	--

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

1 Class number	2 Undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year*	4 Net adjustments	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)**	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1)	11 Terminal loss (amount on line 404 of Schedule 1)	12 Capital cost allowance (column 8 multiplied by column 9; or a lower amount) (amount on line 403 of Schedule 1)***	13 Undepreciated capital cost at the end of the year (column 6 minus column 12)
<b>200</b>	<b>201</b>	<b>203</b>	<b>205</b>	<b>207</b>	<b>211</b>	<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>		
1	28,592,477	1,276,922		160,913	29,708,486	558,005	29,150,481	4	0	0	1,166,019	28,542,467
2	47,925	63,661		0	111,586	31,831	79,755	30	0	0	23,927	87,659
3		8,808		0	8,808	4,404	4,404	20	0	0	881	7,927
4		4,540		0	4,540	2,270	2,270	8	0	0	182	4,358
<b>Total</b>	<b>28,640,402</b>	<b>1,353,931</b>		<b>160,913</b>	<b>29,833,420</b>	<b>596,510</b>	<b>29,236,910</b>				<b>1,191,009</b>	<b>28,642,411</b>

\* 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.

Canada

T2 SCH 8 (99)



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

**SCHEDULE 9**

**RELATED AND ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Taxation year end Year Month Day
ESSEX POWERLINES CORPORATION	87006 6529 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  <b>100</b>	Country of residence (if other than Canada)  <b>200</b>	Business Number (Canadian corporation only) (see note 1)  <b>300</b>	Relationship code (see note 2)  <b>400</b>	Number of common shares owned  <b>500</b>	% of common shares owned  <b>550</b>	Number of preferred shares owned  <b>600</b>	% of preferred shares owned  <b>650</b>	Book value of capital stock  <b>700</b>
1.	ESSEX ENERGY CORPORATION		87007 1123 RC0001	3					
2.	ESSEX POWER SERVICES CORP		86612 1635 RC0001	3					
3.	ESSEX POWER CORPORATION		86953 5435 RC0001	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.

2 SCH 9(99)

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 \$300,000, if the calendar year to which this agreement applies is 2005.

If the calendar year to which this agreement applies is after 2005, ensure that the total at line A does not exceed \$300,000.

### Allocation of the business limit

Date filed (do not use this area) ..... 025 Year Month Day

Enter the calendar year to which the agreement applies ..... 050 Year 2005

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? ..... 075 1 Yes ☐ 2 No ☒

	1 Names of associated corporations	2 Business Number of associated corporations	3 Asso- ciation code	4 Business limit for the year (before the allocation) \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
	ESSEX POWERLINES CORPORATION	87006 6529 RC0001	1	300,000	100.0000	300,000
1	ESSEX ENERGY CORPORATION	87007 1123 RC0001	3			
2	ESSEX POWER SERVICES CORP	86612 1635 RC0001	3			
3	ESSEX POWER CORPORATION	86953 5435 RC0001	3			
	<b>Total</b>				<b>100.0000</b>	<b>300,000</b> A

**Business limit reduction under subsection 125(5.1)**

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group\*\*\* of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part I.3 tax of each corporation in the associated group\*\*\* for its last taxation year ending in the preceding calendar year. The gross Part I.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to  $0.225\% \times (A - \$10,000,000)$  where, "A" is the total of taxable capital employed in Canada\*\* of each corporation in the associated group\*\*\* for its last taxation year ending in the preceding calendar year.

\*Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's taxation year is less than 51 weeks, prorate the amount in column 6 by the number of days in the taxation year divided by 365, and enter the result on line 410 of the T2 return.

If a CCPC has more than one taxation year ending in a calendar year and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year, the business limit for the second (and subsequent) taxation year(s) will be equal to the business limit allocated for the first taxation year ending in the calendar year.

\*\*"Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the *Income Tax Act*.

\*\*\*The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

## AGREEMENT AMONG RELATED CORPORATIONS – PART 1.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$50,000,000 among the members of the related group. **Do not file this agreement if no members of the related group have to pay Part 1.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal *Income Tax Act*, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

<b>Agreement</b>	
Date filed (do not use this area)	Year Month Day 010
Is this an amended agreement?	020 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Calendar year to which the agreement applies	Year 030 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
	ESSEX POWERLINES CORPORATION	87006 6529 RC0001	39,000,000	
1	ESSEX ENERGY CORPORATION	87007 1123 RC0001	2,000,000	
2	ESSEX POWER SERVICES CORP	86612 1635 RC0001	6,000,000	
3	ESSEX POWER CORPORATION	86953 5435 RC0001	3,000,000	

Total (cannot be more than \$50,000,000)

50,000,000

- \* Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

## SHAREHOLDER INFORMATION

Name of corporation	Business Number	Taxation year end Year Month Day
ESSEX POWERLINES CORPORATION	87006 6529 RC0001	2005-12-31

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 (Notes 1 & 3)	Social Insurance Number (Note 2 & 3)	Percentage common shares	Percentage preferred shares
<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>
1 ESSEX POWER CORPORATION	86953 5435 RC0001		100.000	
2				
3				
4				
5				
6				
7				
8				
9				
10				

- 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.

The Annual Return (common page 1 and MCBS Schedule A on pages 18 and 19 and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Consumer and Business Services (MCBS) **Annual Return**. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file a **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).

CBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide) ☒ Yes ☐ No **Page 1 of 20**

Corporation's Legal Name (including punctuation)

**ESSEX POWERLINES CORPORATION**

Mailing Address

360 FAIRVIEW AVENUE WEST  
Suite 218  
ESSEX  
ON CA N8M 3G4

Has the mailing address changed since last filed CT23 Return? ☐ Yes

Date of Change year month day

Registered/Head Office Address

360 FAIRVIEW AVENUE WEST  
Suite 218  
ESSEX  
ON CA N8M 3G4

Location of Books and Records

360 FAIRVIEW AVENUE WEST  
Suite 218  
ESSEX  
ON CA N8M 3G4

Name of person to contact regarding this CT23 Return

Telephone No.

Fax No.

**RICHARD DIMMEL**

**(519) 776-8900**

**(519) 776-7059**

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

(MCBS)

Ontario Canada

Former Corporation Name (Extra-Provincial Corporations only)

☒ Not Applicable

(MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶

No. of Schedule(s)

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

Ontario Corporations Tax Account No. (MOF)  
**1800084**

This Return covers the Taxation Year

Start

year month day  
**2005-01-01**

End

year month day  
**2005-12-31**

Date of Incorporation or Amalgamation

year month day  
**2000-04-18**

Ontario Corporation No. (MCBS)

**1413911**

Canada Customs and Revenue Agency Business No.

If applicable, enter

**87006 6529 RC0001**

Jurisdiction Incorporated

**Ontario**

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

Commenced

year month day

Ceased

year month day

☒ Not Applicable

Preferred Language / Langue de préférence

☒ English  
anglais

☐ French  
français

Ministry Use



## Certification (MCBS)

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

Name of Authorized Person (Print clearly or type in full)

**RICHARD DIMMEL**

Title ☐ Director ☐ Officer ☒ Other individuals having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

ESSEX POWERLINES CORPORATION

1800084

2005-12-31

# CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please check (X) box(es) if applicable in sections

1 & 2

1 ☒ Canadian-controlled Private (CCPC) all year  
(Generally a private corporation of which  
50% or more shares are owned by  
Canadian residents.) (fed.s.125(7)(b))

2 ☐ Other Private

3 ☐ Public

4 ☐ Non-share Capital

5 ☐ Other (specify) ▼

Share Capital with full voting rights  
owned by Canadian Residents

(nearest percent)

100 %

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office no.)

If applicable, enter

Ontario Employer Health Tax Account No.  
(Use Head Office no.)

If applicable, enter

Specify major business activity

- 2
- 1 ☐ Family Farm Corporation s.1 (2)
- 2 ☐ Family Fishing Corporation s.1 (2)
- 3 ☐ Mortgage Investment Corporation s.47
- 4 ☐ Credit Union s.51
- 5 ☐ Bank Mortgage Subsidiary s.61 (4)
- 6 ☐ Bank s.1 (2)
- 7 ☐ Loan and Trust Corporation s.61 (4)
- 8 ☐ Non-resident Corporation  
s.2(2)(a) or (b)
- 9 ☐ Non-resident Corporation s.2(2)(c)
- 10 ☐ Mutual Fund Corporation s.48
- 11 ☐ Non-resident owned investment  
Corporation s.49
- 12 ☐ Non-resident ship or aircraft under  
reciprocal agreement with Canada s.28(b)

- 14 ☐ Bare Trustee Corporation
- 15 ☐ Branch of Non-resident s.63(1)
- 16 ☐ Financial institution prescribed by  
Regulation only
- 17 ☐ Investment Dealer
- 18 ☐ Generator of electrical energy for sale or  
producer of steam for use in the generation  
of electrical energy for sale
- 19 ☒ Hydro successor, Municipal Electrical  
Utility or subsidiary of either
- 20 ☐ Producer and seller of steam for uses  
other than for the generation of electricity
- 21 ☐ Insurance Exchange s.74.4
- 22 ☐ Farm Feeder Finance Co-operative  
Corporation
- 23 ☐ Professional Corporation  
(incorporated professionals only)

Please check (X) box(es) if applicable

☐ First Year of Filing

☐ Amended Return

☐ Taxation Year End has changed – Canada  
Customs and Revenue Agency approval  
required

☐ Final Taxation Year up to Dissolution (wind-up)  
(Note: For discontinued businesses, see Guide.)

☐ Final Taxation Year before Amalgamation

☐ Floating Fiscal Year End

☐ Transfer or Receipt of Asset(s) involving a  
corporation having a Canadian permanent  
establishment outside Ontario

☐ Acquisition of Control fed s. 249(4)

Date Control was acquired  
year month day

Was the corporation inactive throughout the taxation year?

Yes No  
☐ ☒

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

☒ ☐

Are you requesting a refund due to: the Carry-back of a Loss?

☐ ☒

an Overpayment?

☒ ☐

a Specified Refundable Tax Credit?

☐ ☒

Are you a Member of a Partnership or Joint Venture?

☐ ☒

**Income Tax**

**Allocation** – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

**DOLLARS ONLY**

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	- - - - -	±	From	690	834,217.
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	- - - - -	-		5	.
Subtract: Prior years' losses applied – Non-capital losses	- - - - -	-	From	704	.
			From	715	.
Net capital losses (page 18)	- - - - -	x	inclusion rate	50.000000%	=
Farm losses	- - - - -	-	From	724	.
Restricted farm losses	- - - - -	-	From	734	.
Limited partnership losses	- - - - -	-	From	754	.
<b> taxable Income (Non-capital loss)</b>	- - - - -	=		10	834,217.
Addition to taxable income for unused foreign tax deduction for federal purposes	- - - - -	+	11	.	
<b>Adjusted Taxable Income</b>	10 + 11 (if 10 is negative, enter 11)	=	20	834,217.	

<b> taxable Income</b>		<b>Number of Days in Taxation Year</b>	
From 10 (or 20 if applicable)	834,217. x 30 100.0000% x 12.5% x 33 ÷ 73 365 = + 29.	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days
	Ontario Allocation		
From 10 (or 20 if applicable)	834,217. x 30 100.0000% x 14% x 34 ÷ 73 365 = + 32 116,790.	Days after Dec. 31, 2003	Total Days
	Ontario Allocation		
<b>Income Tax Payable</b> (before deduction of tax credits)	29 + 32 = 40 116,790.		

**Incentive Deduction for Small Business Corporations (IDSBC) (s.41)**

**If this section is not completed, the IDSBC will be denied.**

**Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X)**

☒ Yes ☐ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	- - - - -	50	834,217.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	834,217.	
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	.	
	=	834,217.	54 834,217.
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	= + 47	400,000.
<b>Business Limit for Ontario purposes</b>	46 + 47 = 44	400,000. x	48 100.0000%	= 45 400,000.
<b>Income eligible for the IDSBC</b>	- - - - -	From	30 100.0000%	x 56 400,000. = 60 400,000.
		***Ontario Allocation	Least of 50, 54 or 45	

**Note:** Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

\* **Note:** Adjust accordingly for a floating taxation year and use 366 for a leap year.

\*\* **Note:** Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

**continued on Page 5**

ESSEX POWERLINES CORPORATION

1800084

2005-12-31

DOLLARS ONLY

# Income Tax *continued from Page 4*

Calculation of IDSBC Rate

7%

Number of Days in Taxation Year

Days after Dec 31, 2002 and before Jan 1, 2004 Total Days

31 365 ÷ 73 365 = + 89

8.5%

Days after Dec 31, 2003 Total Days

34 365 ÷ 73 365 = + 90 8.5000

SBC Rate for Taxation Year

89 + 90

= 78 8.5000

aim

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)

+ 80 834,217

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

Name of associated corporation (Canadian & foreign)  
(insufficient space, attach schedule)

Ontario Corporations Tax  
Account No. (MOF)  
(if applicable)

Taxation Year End

\* Taxable Income  
(if loss, enter nil)

ESSEX ENERGY CORPORATION

1800081

2005-12-31

+ 82

ESSEX POWER SERVICES CORP

1800083

2005-12-31

+ 83 1,205,975

ESSEX POWER CORPORATION

1800082

2005-12-31

+ 84 105,009

Aggregate Taxable Income 80 + 82 + 83 + 84, etc.

= 85 2,145,201

Number of Days in Taxation Year

Days after Dec 31, 2002 and before Jan 1, 2004 Total Days

320,000 X 31 365 ÷ 73 365 = + 115

Days after Dec 31, 2003 Total Days

400,000 X 34 365 ÷ 73 365 = + 116 400,000

115 + 116 = 400,000

If negative, enter nil

= 86 1,745,201

Calculation of Specified Rate for Surtax

4.6670%

Number of Days in Taxation Year

Days after Dec 31, 2002 Total Days

38 365 ÷ 73 365 = + 97 4.6670

From 86 1,745,201 X From 97 4.6670% = 87 81,449

From 87 81,449 X From 60 400,000 ÷ From 114 400,000 = 88 81,449

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

Subtract: 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

834,217

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

From 56

400,000

Subtract: Adjustments for Surtax on Canadian-controlled private corporations

From 122

400,000

Subtract: Taxable Income

10

834,217

X Allocation % to jurisdictions outside Canada

%

140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses

141

0 - 56 + 122 - 140 - 141

142

834,217

Claim

Number of Days in Taxation Year

Days after Dec. 31, 2002 and before Jan 1, 2004

Total Days

33

÷

73

365

=

154

143

Lesser of 130 or 142

X From 30

100.0000

%

X 1.5 %

X

154

Ontario Allocation

143

Lesser of 130 or 142

X From 30

100.0000

%

X 2 %

X

156

Ontario Allocation

M&P claim for taxation year

154 + 156

160

Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))

Manufacturing and Processing Profits Credit for Electrical Generating Corporations

161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity

162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule).

170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175

Credit Claimed 180

Subtotal of Income Tax

40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180

190

116,790

continued on Page 7

CORPORATE TAXPREP - 2004/2005 CT23 - 2005 V.2 - 0603

**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 6598

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 5898

Applies to employment of eligible apprentices

202

Eligible Credit From 5898 CT23 Schedule 114 (Attach Schedule 114) - - - - - + 203

Other (specify) - - - - - + 203.1

**Total Specified Tax Credits** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220

**Specified Tax Credits Applied to reduce Income Tax** - - - - - = 225

**Income Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative) - - - - - = 230 116,790

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.

Total Assets of the corporation - - - - - + [240] 46,353,042.  
Total Revenue of the corporation - - - - - + [241] 9,683,040.

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Are you a member of an associated group (X) [242] ☒ (Yes)

Name of associated corporation (Canadian & foreign) (insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
ESSEX ENERGY CORPORATION	1800081	2005-12-31	+ [243] 687,612.	+ [244] 254,073.
ESSEX POWER SERVICES CORP	1800083	2005-12-31	+ [245] 8,722,527.	+ [246] 10,098,968.
ESSEX POWER CORPORATION	1800082	2005-12-31	+ [247] 19,331,481.	+ [248] 1,221,536.
Aggregate Total Assets	[240] + [243] + [245] + [247], etc.		= [249] 75,094,662.	
Aggregate Total Revenue	[241] + [244] + [246] + [248], etc.			= [250] 21,257,617.

## 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.

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] 844,872. X From [30] 100.0000 % X 4% = [276] 33,795.  
If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach Schedule) - - - - - [277] -

Subtract: Income Tax - - - - - From [190] 116,790.

**Net CMT Payable** (If negative, enter Nil on Page 17.) - - - - - = [280] 82,995.

[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.

[280] is less than zero and you have a CMT credit carryover A & B below.

[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

Income Tax (before deduction of specified credits) - - - - - + From [190] 116,790.  
Gross CMT Payable - - - - - + From [276] 33,795.  
Subtract: Foreign Tax Credit for CMT purposes - - - - - From [277] -  
If [276] - [277] is negative, enter NIL in [290] = 33,795. ▶ - [290] 33,795.  
**Income Tax eligible for CMT Credit** - - - - - = [300] 82,995.

Income Tax (after deduction of specified credits) - - - - - + From [230] 116,790.  
Subtract: CMT credit used to reduce income taxes - - - - - [310] -  
**Income Tax** - - - - - = [320] 116,790.  
Transfer to page 17

\*A & B apply, [310] cannot exceed the lesser of [230], [300] and your CMT credit carryover available [2333].

\*only B applies, [310] cannot exceed the lesser of [230] and your CMT credit carryover available [2333].

ESSEX POWERLINES CORPORATION

1800084

2005-12-31

DOLLARS ONLY

**Capital Tax** (Refer to Guide and Int.B. 3011R)

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 481 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 financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be

adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

**Paid-up Capital of Non-resident:** Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

**Paid-up Capital**

Paid-up capital stock (Int.B. 3012R and 3015R)	+	350	5
Retained earnings (if deficit, deduct) (Int.B. 3012R)	+	351	751,328
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012R)	+	352	
Loans and advances (Attach schedule) (Int.B. 3013R)	+	353	20,523,894
Bank loans (Int.B. 3013R)	+	354	6,300,000
Bankers acceptances (Int.B. 3013R)	+	355	
Bonds and debentures payable (Int.B. 3013R)	+	356	
Mortgages payable (Int.B. 3013R)	+	357	
Bank 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	
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	+	360	
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	+	361	5,826,763
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	+	362	
<b>Subtotal</b>	=	370	33,401,990
<b>Subtract:</b> 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	
<b>Total Paid-up Capital</b>	=	380	33,401,990
<b>Subtract:</b> Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	-	381	
<b>Electrical Generating Corporations Only</b> – 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	
<b>Total Paid-up Capital</b>	=	390	33,401,990

**Eligible Investment** (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	
<b>Total Eligible Investments</b>	=	410	

continued on Page 10

**DOLLARS ONLY****Total Assets (Int.B. 3015R)**

Total Assets per balance sheet		+ 420	46,353,042.
Mortgages or other liabilities deducted from assets		+ 421	.
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )		+ 422	.
Subtract: Investment in partnership(s)/joint venture(s)		- 423	.
<b>Total Assets as adjusted</b>		= 430	46,353,042.
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	.
<b>Total Assets</b>		= 450	46,353,042.

<b>Investment Allowance</b>	( 410 ÷ 450 ) x 390	- - - - -	<b>Not to exceed</b>	410	=	460	
<b>Taxable Capital</b>	390 - 460	- - - - -			=	470	33,401,990

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	- - -	480	9,683,040
<b>Total Assets</b> (as adjusted)	- - - - -	From 430	46,353,042

### Calculation of Capital Tax for all Corporations except Financial Institutions

**Note:** This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002.

*financial institutions use calculations on page 13.*

**Important:** If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

**OR** If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

**OR** If the corporation is a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

## SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in **550** on page 12 and complete the return from that point.

## SECTION B

### Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year	
Days before Jan. 1, 2005	Total Days
5,000,000 x <input type="text" value="35"/> _____ ÷ <input type="text" value="73"/> <input type="text" value="365"/>	= + <input type="text" value="500"/> _____
Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days
7,500,000 x <input type="text" value="36"/> <input type="text" value="365"/> ÷ <input type="text" value="73"/> <input type="text" value="365"/>	= + <input type="text" value="501"/> <input type="text" value="7,500,000"/>
Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days
10,000,000 x <input type="text" value="37"/> _____ ÷ <input type="text" value="73"/> <input type="text" value="365"/>	= + <input type="text" value="502"/> _____
<b>Capital Deduction (TCD)</b> <input type="text" value="500"/> + <input type="text" value="501"/> + <input type="text" value="502"/>	= <input type="text" value="503"/> <input type="text" value="7,500,000"/>

## SECTION C

**This section applies if the corporation is not a member of an associated group and/or partnership.**

C1. If  and  on page 10 are both \$3,000,000 or less, enter NIL in  on page 12 and complete the return from that point.

**C2.** If Taxable Capital in **470** is equal to or less than the TCD in **503**, enter NIL in **550** on page 12 and complete the return from that point.

**23.** 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.

$$\begin{array}{rcl}
 + & \text{From } 470 & \\
 - & \text{From } 503 & \\
 = & 471 & \times \text{From } 30 \text{ } 100.0000\% \times 0.3\% \times 555 \frac{365}{365} \text{ (366 if leap year)} = + 523
 \end{array}$$

Ontario Allocation Transfer to 543 on page 12 and complete the return from that point

**continued on Page 11**

ESSEX POWERLINES CORPORATION

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**Capital Tax Calculation** continued from Page 10**SECTION D**

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either ☐ 509 or ☒ 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

1. ☐ 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.2. ☒ 524 (X if applicable)

One or more of the corporations that you are associated with maintains a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group may file an election under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

**Calculation** Do not complete this calculation if ss.69(2.1) election is filedTaxable Capital From ☐ 470 on page 10 + From ☐ 470 33,401,990.

**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

ESSEX ENERGY CORPORATION

1800081

2005-12-31

+ ☐ 531

501,851.

ESSEX POWER SERVICES CORP

1800083

2005-12-31

+ ☐ 532

4,658,188.

ESSEX POWER CORPORATION

1800082

2005-12-31

+ ☐ 533

2,147,733.

Aggregate Taxable Capital ☐ 470 + ☐ 531 + ☐ 532 + ☐ 533, etc.= ☐ 540

40,709,762.

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 33,401,990. ÷ From ☐ 540 40,709,762. × From ☐ 503 7,500,000. = ☐ 541 6,153,682.

Transfer to ☐ 542 in Section E on page 12**Ss.69(2.1) Election Filed**☐ 591 (X if applicable)

**Election filed.** Attach a copy of Schedule 591 with this CT23 Return. Proceed to **Section F** on page 12.

continued on Page 12



Capital Tax continued from Page 12

Calculation of Capital Tax for Financial Institutions

1 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.

2 Other than Credit Unions

Retain details of calculations for amounts in boxes 565 and 570. Do not submit with this tax return.)

565

Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1

x

0.6%

x

From 30

100.0000%

x

Days in taxation year  
555

365 ÷ \*

365 (366 if leap year)

=

+

569

570

Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount

x

571

Capital Tax Rate (Refer to Guide)

x

From 30

100.0000%

x

Days in taxation year  
555

365 ÷ \*

365 (366 if leap year)

=

+

574

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2)

569 + 574

=

575

If floating taxation year, refer to Guide.

3 Small Business Investment Tax Credit

Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments

585

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) ☐ Yes

Capital Tax - Financial Institutions

575 - 585

=

586

Transfer to 543 on page 12

Premium Tax (s.74.2 & 74.3) (Refer to Guide)

1) Uninsured Benefits Arrangements

587

x

2%

=

588

Applies to Ontario-related uninsured benefits arrangements.

2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588.)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)

589

Premium Tax

588 - 589

=

590

Transfer to page 17



DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss)  
for Ontario purposes if amounts differ

Net Income (loss) for federal Income tax purposes, per federal T2 Schedule 1 - - - - - ± 600 834,217 •  
Transfer to page 15

Add:

Federal capital cost allowance	- - - - -	+ 601	1,191,009 •
Federal cumulative eligible capital deduction	- - - - -	+ 602	•
Ontario taxable capital gain	- - - - -	+ 603	•
Federal non-allowable reserves, Balance beginning of year	- - - - -	+ 604	•
Federal allowable reserves, Balance end of year	- - - - -	+ 605	•
Ontario non-allowable reserves, Balance end of year	- - - - -	+ 606	•
Ontario allowable reserves, Balance beginning of year	- - - - -	+ 607	•
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	- - - - -	+ 608	•
Federal resource allowance (Refer to Guide)	- - - - -	+ 609	•
Federal depletion allowance	- - - - -	+ 610	•
Federal foreign exploration and development expenses	- - - - -	+ 611	•
Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)	- - - - -	+ 617	•
Management fees, rents, royalties and similar payments to non-arm's length non-residents ▼	- - - - -		

## Number of Days in Taxation Year

Days after Dec. 31, 2002 and before Jan. 1, 2004  
 612 × 5 / 12.5 × 33 ÷ 73 365 = + 633 •

Days after Dec. 31, 2003  
 612 × 5 / 14 × 34 365 ÷ 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 = 1,191,009 • 640 1,191,009 •  
Transfer to page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675 )	- - - - -	+ 650	1,191,009 •
Ontario cumulative eligible capital deduction	- - - - -	+ 651	•
Federal taxable capital gain	- - - - -	+ 652	•
Ontario non-allowable reserves, Balance beginning of year	- - - - -	+ 653	•
Ontario allowable reserves, Balance end of year	- - - - -	+ 654	•
Federal non-allowable reserves, Balance end of year	- - - - -	+ 655	•
Federal allowable reserves, Balance beginning of year	- - - - -	+ 656	•
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (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 1,191,009 •  
Transfer to page 15

continued on Page 15

ESSEX POWERLINES CORPORATION

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DOLLARS ONLY

**Reconcile net income (loss) for federal income tax purposes with net income (loss)****for Ontario purposes if amounts differ***Continued from Page 14*

Net Income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - From  $\pm$  600 834,217.

Total of Additions on page 14 - - - - - From = 640 1,191,009.

Sub Total of deductions on page 14 - - - - - From = 681 1,191,009.

**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  $\times$   $\frac{100}{100.0000}$  - - - - - From 662 = 663

From 30 100.0000  
Ontario Allocation

**Workplace Child Care Tax Incentive (WCCT)***(Applies to eligible expenditures incurred prior to January 1, 2005.)*

Qualifying expenditures: 665  $\times$  30%  $\times$   $\frac{100}{100.0000}$  = 666

From 30 100.0000  
Ontario allocation

**Workplace Accessibility Tax Incentive (WATI)***(Applies to eligible expenditures incurred prior to January 1, 2005.)*

Qualifying expenditures: 667  $\times$  100%  $\times$   $\frac{100}{100.0000}$  = 668

From 30 100.0000  
Ontario allocation

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  $\times$  30%  $\times$   $\frac{100}{100.0000}$  = 671

From 30 100.0000  
Ontario allocation

**Educational Technology Tax Incentive (ETTI)***(Applies to eligible expenditures incurred prior to January 1, 2005.)*

Qualifying expenditures: 672  $\times$  15%  $\times$   $\frac{100}{100.0000}$  = 673

From 30 100.0000  
Ontario allocation

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 = 1,191,009. 680 1,191,009.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 834,217.

Transfer to page 4

DOLLARS ONLY

## Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	700 (2)	710 (2)	720 (2)	730	740	750
<b>Add:</b> Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
<b>Subtotal</b>	703	713	723	733	743	753
<b>Subtract:</b> 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	
<b>Subtotal</b>	707	717	727	737	747	757
<b>Balance at End of Year</b>	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
00 9th preceding taxation year 1997-09-30	817 (9)	860 (9)		850	870
01 8th preceding taxation year 1998-09-30	818 (9)	861 (9)		851	871
02 7th preceding taxation year 1999-09-30	819 (9)	862 (9)		852	872
03 6th preceding taxation year 2000-09-30	820	830	840	853	873
04 5th preceding taxation year 2001-09-30	821	831	841	854	874
05 4th preceding taxation year 2001-12-31	822	832	842	855	875
06 3rd preceding taxation year 2002-12-31	823	833	843	856	876
07 2nd preceding taxation year 2003-12-31	824	834	844	857	877
08 1st preceding taxation year 2004-12-31	825	835	845	858	878
09 Current taxation year 2005-12-31	826	836	846	859	879
<b>Total</b>	829	839	849	869	889

## Notes:

- Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- 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.
- 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.
- To the extent of applicable gains/income/at-risk amount only.
- Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- Amount in 709 must equal total of 829 + 839.
- Include non-capital losses incurred in taxation years ending after March 22, 2004.

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**Request for Loss Carry-Back (s.80(16))**

**Applies to** corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.

Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.

Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under any Act administered by the Ministry of Finance.

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a predecessor corporation, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

**Application of Losses**

Total amount of loss

**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
3 <sup>rd</sup> preceding	901	2002-12-31
2 <sup>nd</sup> preceding	902	2003-12-31
1 <sup>st</sup> preceding	903	2004-12-31

Total loss to be carried back

Balance of loss available for carry-forward

Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
910	920	930	940
911	921	931	941
912	922	932	942
913	923	933	943
From 706	From 716	From 726	From 736
919	929	939	949

**Summary**

Income Tax	- - - - - + From 230 or 320	116,790
Corporate Minimum Tax	- - - - - + From 280	
Capital Tax	- - - - - + From 550	81,745
Premium Tax	- - - - - + From 590	
<b>Total Tax Payable</b>	- - - - - = 950	198,535
Subtract: Payments	- - - - - - 960	432,000
Capital Gains Refund (s.48)	- - - - - - 965	
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- - - - - - 985	
Specified Tax Credits (Refer to Guide)	- - - - - - 955	
Other, specify	- - - - - -	
<b>Balance</b>	- - - - - = 970	-233,465
Payment due	- - - - - Enclosed * 990	
<b>Overpayment: Refund</b> (Refer to Guide)	- - - - - = 975	233,465
Apply to	year month day 980	

(Includes credit interest)

**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)

RICHARD DIMMEL

Title

VP of Finance

Full Residence Address

Signature

Date

2006-04-05

**Note:** Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

\* 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.)

**Corporate Minimum Tax (CMT)****T23 Schedule 101**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
ESSEX POWERLINES CORPORATION	1800084	2005-12-31

**Part 1: Calculation of CMT Base**

**Amounts** – 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.

**Before 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** 543,554.

**Subtract (to the extent reflected in net income/loss):**

Provision for recovery of income taxes / benefit of current income taxes	+ <b>2101</b>	
Provision for deferred income taxes (credits) / benefit of future income taxes	+ <b>2102</b>	
Equity income from corporations	+ <b>2103</b>	
Share of partnership(s)/joint venture(s) income	+ <b>2104</b>	
Dividends received/receivable deductible under fed.s.112	+ <b>2105</b>	
Dividends received/receivable deductible under fed.s.113	+ <b>2106</b>	
Dividends received/receivable deductible under fed.s.83(2)	+ <b>2107</b>	
Dividends received/receivable deductible under fed.s.138(6)	+ <b>2108</b>	
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1)		
	x 3	
	+ <b>2109</b>	
<b>Subtotal</b>	=	<b>2110</b>

**Add (to extent reflected in net income/loss):**

Provision for current taxes / cost of current income taxes	+ <b>2111</b>	301,318.
Provision for deferred income taxes (debits) / cost of future income taxes	+ <b>2112</b>	
Equity losses from corporations	+ <b>2113</b>	
Share of partnership(s)/joint venture(s) losses	+ <b>2114</b>	
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))	+ <b>2115</b>	
<b>Subtotal</b>	=	301,318. + <b>2116</b> 301,318.

**Subtotal****Add/Subtract:**

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	+ <b>2117</b>		or - <b>2118</b>	
** Fed.s.85.1	+ <b>2119</b>		or - <b>2120</b>	
** Fed.s.97	+ <b>2121</b>		or - <b>2122</b>	

** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+ <b>2123</b>		or - <b>2124</b>	
--	---------------	--	------------------	--

** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	+ <b>2125</b>		or - <b>2126</b>	
---	---------------	--	------------------	--

** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	+ <b>2127</b>		or - <b>2128</b>	
--	---------------	--	------------------	--

Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income

<b>Subtotal (Additions)</b>	=		+ <b>2129</b>	
-----------------------------	---	--	---------------	--

<b>Subtotal (Subtractions)</b>	=		- <b>2130</b>	
--------------------------------	---	--	---------------	--

* Other adjustments			+ <b>2131</b>	
---------------------	--	--	---------------	--

<b>Subtotal</b>	± <b>2100</b> - <b>2110</b> + <b>2116</b> + <b>2129</b> - <b>2130</b> ± <b>2131</b>		= <b>2132</b>	844,872.
-----------------	---	--	---------------	----------

* Share of partnership(s)/joint venture(s) adjusted net income/loss			+ <b>2133</b>	
---	--	--	---------------	--

<b>Adjusted net income (loss)</b> (if loss, transfer to <b>2202</b> in Part 2: Continuity of CMT Losses Carried Forward.)			= <b>2134</b>	844,872.
---	--	--	---------------	----------

Deduct: * CMT losses: pre-1994 Loss	+ From <b>2210</b>			
-------------------------------------	--------------------	--	--	--

* CMT losses: other eligible losses	+ <b>2211</b>			
-------------------------------------	---------------	--	--	--

	=		- <b>2135</b>	
--	---	--	---------------	--

\* CMT losses applied cannot exceed adjusted net income or increase a loss

\*\* Retain calculations. Do not submit with this schedule.

<b>CMT Base</b>			= <b>2136</b>	844,872.
-----------------	--	--	---------------	----------

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

**Corporate Minimum Tax (CMT)**  
**T23 Schedule 101**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
ESSEX POWERLINES CORPORATION	1800084	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 <input type="checkbox"/> Yes	Wind-up (X) 2206 <input type="checkbox"/> Yes			
Subtotal		=			
Adjustments (attach schedule)			±	2208	
CMT losses available	2201 + 2207 ± 2208		=	2209	
Subtract:	Pre-1994 loss utilized during the year to reduce adjusted net income	.....	+	2210	
	Other eligible losses utilized during the year to reduce adjusted net income	NOTE (4) .....	+	2211	
	Losses expired during the year	.....	+	2212	
Subtotal		=			
Balances at End of Year	NOTE (5)	2209 - 2213	=	2214	

**Notes:**

- |  |  |
|--|--|
| 1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss. | (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)) |
| 2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))            | (4) CMT losses must be used to the extent of the lesser of the adjusted net income 2134 and CMT losses available 2209.   |
|  | (5) Amount in 2214 must equal sum of 2270 + 2290.  |

**Part 3: Analysis of CMT Losses Year End Balance by Year of Origin**

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1997-09-30	2260	2280
2241	8th preceding taxation year 1998-09-30	2261	2281
2242	7th preceding taxation year 1999-09-30	2262	2282
2243	6th preceding taxation year 2000-09-30	2263	2283
2244	5th preceding taxation year 2001-09-30	2264	2284
2245	4th preceding taxation year 2001-12-31	2265	2285
2246	3rd preceding taxation year 2002-12-31	2266	2286
2247	2nd preceding taxation year 2003-12-31	2267	2287
2248	1st preceding taxation year 2004-12-31	2268	2288
2249	Current taxation year 2005-12-31	2269	2289
Totals		2270	2290

The sum of amounts 2270 + 2290  
must equal amount in 2214.

# Corporate Minimum Tax (CMT) CT23 Schedule 101

Page 3 of 3

Corporation's Legal Name <b>ESSEX POWERLINES CORPORATION</b>	Ontario Corporations Tax Account No. (MOF) <b>1800084</b>	Taxation Year End <b>2005-12-31</b>
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## 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:

- Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).
- 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))
- 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)
<b>2340</b>	9th preceding taxation year 1997-09-30	<b>2360</b>	<b>2380</b>
<b>2341</b>	8th preceding taxation year 1998-09-30	<b>2361</b>	<b>2381</b>
<b>2342</b>	7th preceding taxation year 1999-09-30	<b>2362</b>	<b>2382</b>
<b>2343</b>	6th preceding taxation year 2000-09-30	<b>2363</b>	<b>2383</b>
<b>2344</b>	5th preceding taxation year 2001-09-30	<b>2364</b>	<b>2384</b>
<b>2345</b>	4th preceding taxation year 2001-12-31	<b>2365</b>	<b>2385</b>
<b>2346</b>	3rd preceding taxation year 2002-12-31	<b>2366</b>	<b>2386</b>
<b>2347</b>	2nd preceding taxation year 2003-12-31	<b>2367</b>	<b>2387</b>
<b>2348</b>	1st preceding taxation year 2004-12-31	<b>2368</b>	<b>2388</b>
<b>2349</b>	Current taxation year 2005-12-31	<b>2369</b>	<b>2389</b>
<b>Totals</b>		<b>2370</b>	<b>2390</b>

The sum of amounts **2370** + **2390**  
must equal amount in **2336**.

**Corporate Minimum Tax (CMT)**  
**CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name <b>ESSEX POWERLINES CORPORATION</b>	Ontario Corporations Tax Account No. (MOF) <b>1800084</b>	Taxation Year End <b>2005-12-31</b>
---	--	--

**MT 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
0th Prior Year	1996-09-30					
1st Prior Year	1997-09-30					
2nd Prior Year	1998-09-30					
3rd Prior Year	1999-09-30					
4th Prior Year	2000-09-30					
5th Prior Year	2001-09-30					
6th Prior Year	2001-12-31					
7th Prior Year	2002-12-31					
8th Prior Year	2003-12-31					
9th Prior Year	2004-12-31					
<b>Total</b>						

**Predecessor Corporations Only – Amalgamation**

Indicate the amounts of eligible CMT losses from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
<b>Total</b>						



**Corporate Minimum Tax (CMT)**  
**CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
ESSEX POWERLINES CORPORATION	1800084	2005-12-31

**CMT Losses Carried Forward Workchart (continued)**

**Predecessor Corporations Only – Wind-Up**

Indicate the amounts of eligible CMT losses from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
<b>Total</b>						

**Corporate Minimum Tax (CMT)  
CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
ESSEX POWERLINES CORPORATION	1800084	2005-12-31

**MT Credit Carryovers Workchart**

**Filing Corporation**

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
0th Prior Year	1996-09-30					
1st Prior Year	1997-09-30					
2nd Prior Year	1998-09-30					
3rd Prior Year	1999-09-30					
4th Prior Year	2000-09-30					
5th Prior Year	2001-09-30					
6th Prior Year	2001-12-31					
7th Prior Year	2002-12-31					
8th Prior Year	2003-12-31					
9th Prior Year	2004-12-31					
<b>Total</b>						

**Predecessor Corporations Only – Amalgamation**

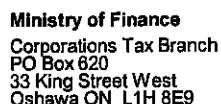
Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
<b>Total</b>						

**Predecessor Corporations Only – Wind-Up**

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
<b>Total</b>						



Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
ESSEX POWERLINES CORPORATION	1800084	2005-12-31

(includes advances payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

[illegible]

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

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
FSSEX POWER INES CORPORATION	1800084	2005-12-31

**Is the corporation electing under regulation 1.101-5(q)?**

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	28,592,477	1,276,922		160,913	29,708,486	558,005	29,150,481	4	0	0	1,166,019	28,542,467
10	47,925	63,661		0	111,586	31,831	79,755	30	0	0	23,927	87,659
8		8,808		0	8,808	4,404	4,404	20	0	0	881	7,927
17		4,540		0	4,540	2,270	2,270	8	0	0	182	4,358
Totals	28,640,402	1,353,931		160,913	29,833,420	596,510	29,236,910				1,191,009	28,642,411

<b>Enter in boxes</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>on the CT23.</b>
	.	.	.	

**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.

## T2 CORPORATION INCOME TAX RETURN

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation - Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 Do not use this area

## Identification

Business Number (BN) ..... 001 87006 6529 RC0001

## Corporation's name

002 ESSEX POWERLINES CORPORATION

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 ☒

011 360 FAIRVIEW AVENUE WEST

012 Suite 218

City Province, territory, or state

015 ESSEX 016 ON

Country (other than Canada) Postal code/ZIP code

017 018 N8M 3G4

## 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

022 360 FAIRVIEW AVENUE WEST

023 Suite 218

City Province, territory, or state

025 ESSEX 026 ON

Country (other than Canada) Postal code/ZIP code

027 028 N8M 3G4

## 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 ☒

031 360 FAIRVIEW AVENUE WEST

032 Suite 218

City Province, territory, or state

035 ESSEX 036 ON

Country (other than Canada) Postal code/ZIP code

037 038 N8M 3G4

## 040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation2 ☐ Other private corporation 5 ☐ Other corporation (specify, below)3 ☐ Public corporation

If the type of corporation changed during the taxation year, provide the effective date of the change ..... 043

YYYY MM DD

## To which taxation year does this return apply?

Taxation year start

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

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Essex Powerlines Corporation

EB-2011-0166

Filed: October 28, 2012

Exhibit 3

Tab2

Schedule 1

Appendix6

## Appendix 6 of 6

## Financial Statements

**Essex Powerlines Corporation**


**Financial Statements**

**For the year ended December 31, 2001**



# GRAHAM, SETTERINGTON, McINTOSH, DRIEDGER & HICKS

CHARTERED ACCOUNTANTS

 R. MICHAEL GRAHAM, CA  
DAVID P. SETTERINGTON, FCA  
AL W. McINTOSH, CA  
PAUL H. DRIEDGER, BSc, CA  
R. TYLER HICKS, BBA, CA

P.O. BOX 189, 49 ERIE ST. N.,  
LEAMINGTON, ONTARIO N8H 3W2

TELEPHONE (519) 326-2681  
FAX (519) 326-8044

## AUDIT REPORT

### To the Shareholders of Essex Powerlines Corporation

We have audited the balance sheet of Essex Powerlines Corporation as at December 31, 2001 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the utility's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We were not present to physically verify opening inventories at December 31, 2000 and to determine the value of such inventories, therefore we are unable to determine whether adjustments might be necessary.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary as described in the preceding paragraph these financial statements present fairly, in all material respects, the financial position of the Essex Powerlines Corporation as at December 31, 2001 and the results of its operations for the year then ended in accordance with accounting principles disclosed in note 1 to the financial statements.

Respectfully submitted,  
GRAHAM, SETTERINGTON, McINTOSH,  
DRIEDGER & HICKS

*Graham, Setterington, McIntosh,  
Driedger & Hicks*

Chartered Accountants

Leamington, Ontario  
March 13, 2002



# Essex Powerlines Corporation

## Balance Sheet as at December 31

	2001	2000
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 4,580,515	\$ 3,845,750
Accounts receivable	3,880,210	1,364,964
Miscellaneous receivables	484,992	326,621
Prepaid expenses	84,028	-
Unbilled revenue	3,207,088	4,509,572
Inventory (note 1)	560,369	739,396
	<b>12,797,202</b>	<b>10,786,303</b>
<b>Capital Assets (note 1)</b>		
Land and Land rights	50,907	48,407
Transmission and distribution equipment	24,704,517	24,221,203
Office and computer equipment	20,000	-
	<b>24,775,424</b>	<b>24,269,610</b>
Less: Accumulated Amortization	<b>1,843,386</b>	<b>686,990</b>
	<b>22,932,038</b>	<b>23,582,620</b>
<b>Other</b>		
Pre-market opening variance (note 2)	274,335	-
Transition costs (note 3)	691,600	-
	<b>965,935</b>	<b>-</b>
	<b>\$ 36,695,175</b>	<b>\$ 34,368,923</b>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Balance Sheet as at December 31

	2001	2000
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,429,809	\$ 78,707
Due to associated company (note 9)	7,666,572	17,873,309
Promissory note payable (note 7)	5,500,000	8,023,219
Current portion of customer deposits (note 4)	169,145	173,195
	<u>17,765,526</u>	<u>26,148,430</u>
<b>Long-term liabilities</b>		
Customer deposits (note 4)	616,746	588,287
Note payable (note 5)	18,730,817	7,730,817
	<u>19,347,563</u>	<u>8,319,104</u>
<b>Contingencies (note 6)</b>	-	-
<b>Shareholder's Equity</b>		
Capital stock (note 8)	5	5
Retained earnings (deficit)	(417,919)	(98,616)
	<u>(417,914)</u>	<u>(98,611)</u>
	<u>\$ 36,695,175</u>	<u>\$ 34,368,923</u>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Statement of Income and Expenses

For the period ended December 31

	12 months 2001	7 months 2000
<b>Service Revenue</b>		
Residential	\$ 22,519,821	\$ 12,204,323
General service	20,048,044	10,403,610
Street Lighting	394,774	193,528
Service revenue adjustment	(1,302,484)	42,546
	41,660,155	22,844,007
Power purchased	36,110,393	19,772,545
<b>Gross margin on service revenue</b>	<b>5,549,762</b>	<b>3,071,462</b>
<b>Other revenue</b>		
Late payment charges	153,552	138,393
Miscellaneous revenue	71,966	46,941
Pole and light rentals	70,286	24,300
Gain on disposal of capital asset	-	2,950
Interest income	256,994	273,615
	552,798	486,199
<b>Expenses</b>		
Billing and collecting	530,174	453,666
Administration and general	2,064,565	988,060
Operations and maintenance	2,033,541	1,502,067
Amortization	1,156,396	687,503
Interest and bank charges	318,445	24,981
Long term interest	280,242	-
	6,383,363	3,656,277
<b>Income (loss) from operations</b>	<b>(280,803)</b>	<b>(98,616)</b>
<b>Other Revenue and Expenses</b>		
Payments in lieu of taxes (note 1)	(38,500)	-
<b>Net income (loss)</b>	<b>\$ (319,303)</b>	<b>(98,616)</b>

See Accompanying Notes

Graham, Settingington, McIntosh, Driedger & Hicks - Chartered Accountants

**Essex Powerlines Corporation**

**Statement of Retained Earnings**

**For the period ended December 31**

	<b>12 months 2001</b>	<b>7 months 2000</b>
<b>Retained earnings (deficit) at beginning of year</b>	<b>\$ (98,616)</b>	<b>-</b>
<b>Net income (loss)</b>	<b>(319,303)</b>	<b>(98,616)</b>
<b>Retained earnings (deficit) at end of year</b>	<b>\$ (417,919)</b>	<b>\$ (98,616)</b>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Statement of Cash Flows

For the period ended December 31

	12 months 2001	7 months 2000
<b>Cash flow from operating activities</b>		
Cash receipts from customers, etc.	\$ 40,999,114	\$ 16,620,730
Cash paid to suppliers, employees, etc.	(33,220,475)	(23,145,273)
Interest paid	(598,687)	(24,981)
Customer deposits received	21,259	761,482
Income taxes paid	(38,500)	-
	<b>7,162,711</b>	<b>(5,788,042)</b>
<b>Cash flow from investing activities</b>		
Disposal of assets	-	2,950
Acquisition of capital assets	(1,197,414)	(24,270,123)
Investment income received	256,994	273,615
	<b>(940,420)</b>	<b>(23,993,558)</b>
<b>Cash flow from financing activities</b>		
Common shares issued	-	5
Issuance of (payments to) promissory notes	(2,523,219)	8,023,219
Advances from (payments to) associated companies	(2,964,307)	17,873,309
Issuance of note payable	-	7,730,817
	<b>(5,487,526)</b>	<b>33,627,350</b>
Increase in cash	734,765	3,845,750
Cash balance at beginning of year	3,845,750	-
<b>Cash position at end of year</b>	<b>\$ 4,580,515</b>	<b>\$ 3,845,750</b>

# Essex Powerlines Corporation

## Notes to Financial Statements

For the period ended December 31, 2001

### 1. Summary of Significant Accounting Policies (cont'd)

#### *Income Taxes - Payments in Lieu*

The Energy Competition Act provides for a competitive marketplace in the sale of electricity. Such marketplace is expected to be deregulated in 2002. The income taxes are to be calculated in accordance with the rules for computing income, capital and other taxes provided for in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Energy Act and related regulations. After October 1, 2001 the Corporation will be required, to compute and remit to the Province of Ontario payments in lieu of corporate taxes.

### 2. Pre-Market Opening Variance

This variance account has been set up as directed by the Ontario Energy Board (OEB) to record the difference between the cost of power based on Time of Use (TOU) and the amounts billed to non-TOU customers charged on an average rate from January 1, 2001 until the date of opening the competitive electricity market in Ontario. The disposition of this account will be considered as part of the OEB annual rate adjustment process.

### 3. Transition Costs

The transition costs are those capital and non-capital expenditures incurred prior to market opening and meeting the four requirements for transition costs as outlined by the OEB. The capital costs are amortized over their estimated useful life similar to the other capital assets except that the annual amortization is added to the non-capital costs instead of being expensed. The non-capital and return on capital costs are to be recovered in the rate approval process. Any amounts determined by the OEB to be ineligible as a transition cost would have to be recorded back in the expense or capital asset accounts. The capital and non-capital portion of the transition costs are eligible to earn a rate of return as approved by the OEB.

	2001	2000
<i>Capital costs</i>	\$ 461,932	\$ -
<i>Non-capital costs</i>	190,399	-
<i>Return on capital and non-capital costs</i>	39,269	-
	<u>\$ 691,600</u>	<u>\$ -</u>

### 4. Customer Deposits

Customer deposits are amounts paid by customers who do not own the property and are held until the customer's account is closed. Interest is to be paid annually at the average yearly savings interest rate.

# Essex Powerlines Corporation

## Notes to Financial Statements

For the period ended December 31, 2001

### 8. Capital stock

			2001	2000
Authorized	Unlimited	Common shares, Class A voting		
	Unlimited	Common shares, Class B non-voting		
Issued	50	Common shares, Class A voting	\$ 5	\$ 5
			\$ 5	\$ 5

### 9. Related party transactions

The Company engages into transactions with its affiliated and parent companies. The following is a summary of the related party transactions. These transactions are measured at exchange amount, which is the amount of consideration established and agreed to by the related parties. Essex Powerlines Corporation is affiliated with Essex Power Services Corporation, Essex Energy Corporation and is the subsidiary of Essex Power Corporation.

	2001	2000
Service fees paid to affiliate	\$ 4,216,818	\$ 2,779,798
Management fees paid to parent	548,035	129,313
Accounts receivable from affiliate	-	1,959,108
Accounts payable to affiliate	-	1,971,201
Accounts payable to parent	\$ 18,666,572	\$ 17,861,216

### 10. Financial Instruments

The company's financial instruments consist of cash, accounts receivable, prepaid expenses, unbilled revenue, inventory, accounts payable and accruals, due to associated companies, promissory notes payable, and customer deposits. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

**Essex Powerlines Corporation**  
**Income Statement**  
**For the 3 month period ended December 31, 2001**  
**UNAUDITED**

**REVENUE**

Sale of Energy		
Residential	5,533,846	
Commercial	6,174,617	
Street Lighting	111,429	
Service Revenue Adjustment	<u>(1,454,641)</u>	10,365,251
Electrical Energy Purchases		<u>9,431,726</u>
Gross Margin		933,525
Miscellaneous Revenue		
Pole Rentals	-	
Interest	59,550	
Other Revenue	<u>62,994</u>	<u>122,544</u>
Total Net Revenue		1,056,070
Operating Maintenance Expense		
Administration and General	479,113	
<b>Customers Billing and Collecting</b>	255,819	
Distribution	304,619	
Advertising	-	
Amortization	231,100	
Other Expense	<u></u>	<u>1,270,651</u>
Income Before Interest Expense		(214,581)
Interest Expense		138,444
Net Income before tax		(353,025)
Income and Capital Tax		<u>38,500</u>
Net Income		<u><u>(391,525)</u></u>



## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

## Current Assets

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	---------------

## Cash and deposits

1000	*	Cash and deposits . . . . .	0	0
1001		Cash . . . . .	0	0
		Deposits in Canadian banks and institutions		
1002		- Canadian currency . . . . .	4,580,515	3,845,750
		Deposits in Canadian banks and institutions		
1003		- 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
			-----	-----
		<b>Cash and deposits</b>	<b>+ 4,580,515</b>	<b>3,845,750</b>
			=====	=====

## Accounts receivable

1060	*	Accounts receivable . . . . .	484,992	388,682
1062		Trade accounts receivable . . . . .	3,880,210	1,374,737
1064		Trade accounts receivable from related parties . . . . .	0	128,548
1066		Taxes receivable . . . . .	0	0
1067		Interest receivable . . . . .	0	41,144
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
			-----	-----
		<b>Accounts receivable</b>	<b>+ 4,365,202</b>	<b>1,933,111</b>
			=====	=====

## Allowance for doubtful accounts

1061	*	Allowance for doubtful accounts . . . . .	0	9,773
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
			-----	-----
		<b>Allowance for doubtful accounts</b>	<b>- 0</b>	<b>9,773</b>
			=====	=====

## Inventories

1120	* Inventories.....	560,369	739,396
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
		-----	-----
	<b>Inventories</b>	<b>+</b> 560,369	739,396
		=====	=====

## 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
		-----	-----
	<b>Short term investments</b>	<b>+</b> 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
		-----	-----
	<b>Loans and notes receivable</b>	<b>+</b> 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
		-----	-----
	<b>Due from shareholder(s)/director(s)</b>	<b>+</b> 0	0
		=====	=====

1380	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 . . . . .	3,207,088	4,509,572
1481	Deferred income taxes . . . . .	0	0
1482	Accrued investment income . . . . .	0	0
1483	Taxes recoverable/refundable . . . . .	0	0
1484	Prepaid expenses . . . . .	84,028	0
1485	Drilling advances . . . . .	0	0
1486	Security/tender deposits . . . . .	0	0
		-----	-----
	Other current assets	+ 3,291,116	4,509,572
		=====	=====

1599	Total Current Assets	= 12,797,202	11,018,056
		=====	=====

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

## Tangible Capital Assets

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

1600		Land .....	+	50,907	48,407
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
				-----	-----
<b>Depletable assets</b>			+	0	0
				=====	=====

## Buildings

1680	*	Buildings .....		0	0
1682		Manufacturing and processing plant .....		0	0
1684		Buildings under construction .....		0	0
				-----	-----
<b>Buildings</b>			+	0	0
				=====	=====

## Machinery, equipment, furniture and fixtures

1740	*	Machinery, equipment, furniture and fixtures .....		24,704,517	24,221,203
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.....	20,000	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
		-----	-----
	<b>Machinery, equipment, furniture and fixtures</b>	<b>+ 24,724,517</b>	<b>24,221,203</b>
		=====	=====

## 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
		-----	-----
	<b>Other tangible capital assets</b>	<b>+ 0</b>	<b>0</b>
		=====	=====

2008

## Total Tangible Capital Assets

= 24,775,424 24,269,610  
=====

**GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

**Accumulated Amortization of Tangible Capital Assets**

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

1602		Land improvements . . . . .	+	0	0
------	--	-----------------------------	---	---	---

<b>Accumulated amortization of depletable assets</b>					
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
				-----	-----
<b>Accumulated amortization of depletable assets</b>			+	0	0
				=====	=====

<b>Accumulated amortization of buildings</b>					
1681	*	Buildings . . . . .		0	0
1683		Manufacturing and processing plant . . . . .		0	0
				-----	-----
<b>Accumulated amortization of buildings</b>			+	0	0
				=====	=====

<b>Accumulated amortization of machinery, equipment, furniture and fixtures</b>					
1741	*	Machinery, equipment, furniture and fixtures . . . . .		1,842,586	686,990
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 . . . . .		800	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
				-----	-----
<b>Accumulated amortization of machinery, equipment, furniture and fixtures</b>			+	1,843,386	686,990
				=====	=====

## Accumulated amortization of other tangible capital assets

1901	* Other tangible capital assets .....	0	0
1903	Logging roads .....	0	0
1905	Asphalt and parking areas .....	0	0
1907	Wharves .....	0	0
1908	Fences .....	0	0
1911	Capital leases - buildings .....	0	0
1913	Capital leases - equipment .....	0	0
1915	Capital leases - vehicles .....	0	0
1917	Capital leases - others .....	0	0
1919	Leasehold improvements .....	0	0
1922	Campsites .....	0	0
		-----	-----
	Accumulated amortization of other tangible capital assets	+	0
		=====	=====

2009	<b>Total Accumulated Amortization of Tangible Capital Assets</b>	=	1,843,386	686,990
			=====	=====

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

## Long Term Assets

GIFI	Account	Description	Amount	Prior year
<b>Due from shareholder(s)/director(s)</b>				
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
			-----	-----
		<b>Due from shareholder(s)/director(s)</b>	+ 0	0
			=====	=====
<b>Due from members</b>				
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
<b>Due from/investment in related parties</b>				
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
			-----	-----
		<b>Due from/investment in related parties</b>	+ 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 . . . . .	965,935	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
2425	Reserve fund . . . . .	0	0
2427	Cash surrender value of life insurance . . . . .	0	0
		-----	-----
	Other long term assets	+ 965,935	0
		=====	=====

2425	Accumulated amortization of deferred charges . . . . .	0	0
------	--	---	---

2589	Total Long Term Assets	= 965,935	0
		=====	=====

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 . . . . .	0	0
2621		Trade payables . . . . .	4,429,809	310,461
2622		Trade payables to related parties . . . . .	0	0
2623		Holdbacks payable . . . . .	0	0
2624		Wages payable . . . . .	0	0
2625		Management fees payable . . . . .	0	0
2626		Bonuses payable . . . . .	0	0
2627		Employee deductions payable . . . . .	0	0
2628		Withholding taxes payable . . . . .	0	0
2629		Interest payable . . . . .	0	0
2630		Amounts payable to members of NPOs . . . . .	0	0
			-----	-----
		Amounts payable and accrued liabilities	+ 4,429,809	310,461
			=====	=====

2680		Taxes payable . . . . .	+	0	0
------	--	-------------------------	---	---	---

Short term debt

2700	*	Short term debt . . . . .	5,500,000	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	+ 5,500,000	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) . . . . .	18,666,572	17,873,309
2783		Due to director(s) . . . . .	0	0
			-----	-----
		Due to shareholder(s)/director(s)	+ 18,666,572	17,873,309
			=====	=====

2840		Due to joint venture(s)/partnership(s) . . . . .	+	0	0
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**ESSEX POWERLINES CORPORATION**
**Sch. 3139**
**Account/Business No.: 870066529RC0001**
**Year Ended: 2001-12-31**
**Due to related parties**

2860	* Due to related parties	0	0
2861	Demand notes due to related parties	0	8,023,219
2862	Interest payable to related parties	0	0
2863	Advances due to related parties	0	0
		-----	-----
	<b>Due to related parties</b>	<b>+</b> 0	<b>8,023,219</b>
		=====	=====

2920	Current portion of long term liability	+	169,145	173,195
2940	Bankers' acceptances	+	0	0

**Other current liabilities**

2960	* Other current liabilities	0	0
2961	Deposits received	0	0
2962	Dividends payable	0	0
2963	Deferred income taxes	0	0
2964	Reserve for guarantees, warranties or indemnities	0	0
2965	General provisions/reserves	0	0
2966	Crew shares	0	0
		-----	-----
	<b>Other current liabilities</b>	<b>+</b> 0	<b>0</b>
		=====	=====

3139	<b>Total Current Liabilities</b>	<b>=</b>	<b>28,765,526</b>	<b>26,380,184</b>
			=====	=====

\* Generic Item

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GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long Term Liabilities

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

<b>Long term debt</b>				
3140	*	Long term debt . . . . .	7,730,817	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
			-----	-----
		<b>Long term debt</b>	<b>+ 7,730,817</b>	<b>0</b>
			=====	=====

3200		Deposit liabilities of financial institutions . . . . .	+	0	0
3210		Bonds and debentures . . . . .	+	0	0
3220		Deferred income . . . . .	+	616,746	0
3240		Deferred income taxes . . . . .	+	0	0

<b>Due to shareholder(s)/director(s)</b>				
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
			-----	-----
		<b>Due to shareholder(s)/director(s)</b>	<b>+ 0</b>	<b>0</b>
			=====	=====

3270		Due to members . . . . .	+	0	0
3280		Due to joint venture(s)/partnership(s) . . . . .	+	0	0

<b>Due to related parties</b>				
3300	*	Due to related parties . . . . .	0	0
3301		Amounts owing to related Canadian parties . . . . .	0	7,730,817
3302		Amounts owing to related foreign parties . . . . .	0	0
			-----	-----
		<b>Due to related parties</b>	<b>+ 0</b>	<b>7,730,817</b>
			=====	=====

**ESSEX POWERLINES CORPORATION**
**Sch. 3450**
**Account/Business No.: 870066529RC0001**
**Year Ended: 2001-12-31**
**Other long term liabilities**

3320	*	Other long term liabilities .....	0	588,287
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
			-----	-----
<b>Other long term liabilities</b>			<b>+</b>	<b>0</b>
			=====	=====

3450	<b>Total Long Term Liabilities</b>	=	8,347,563	8,319,104
			=====	=====

\* Generic Item

page 2

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Shareholder Equity

GIFI	Account	Description	Amount	Prior year	
Shareholder equity					
3500		Common shares . . . . .	+	5	5
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 . . . . .	+	-417,919	-98,617
3620		Total Shareholder Equity	=	-417,914	-98,612
			=====	=====	

\* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Retained Earning/Deficit

GIFI	Account	Description	Amount	Prior year
3660		Retained earnings/deficit - start.....	+ -26,393	0
3680		Net income/loss.....	+ -391,526	-98,617

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	=	-417,919	-98,617
				=====	=====

\* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Revenue

GIFI	Account	Description	Amount	Prior year
8000		Trade sales of goods and services . . . . .	10,365,251	22,844,007
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 . . . . .	10,365,251	22,844,007
------	--	---	------------	------------

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) .....	59,550	273,615
8101		Loan interest .....	0	0
8102		Securities interest .....	0	0
8103		Deposits with banks interest .....	0	0
			-----	-----
<b>Interest income (financial institutions)</b>			<b>59,550</b>	<b>273,615</b>
			=====	=====

**Commission revenue**

8120	*	Commission revenue .....	0	0
8121		Commission income on real estate transactions .....	0	0
			-----	-----
<b>Commission revenue</b>			<b>0</b>	<b>0</b>
			=====	=====

**Rental revenue**

8140	*	Rental revenue .....	0	0
8141		Real estate rental revenue .....	0	0
8142		Film rental revenue .....	0	0
			-----	-----
<b>Rental revenue</b>			<b>0</b>	<b>0</b>
			=====	=====

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
			-----	-----
<b>Fishing revenue</b>			<b>0</b>	<b>0</b>
			=====	=====

**Realized gains/losses on disposal of assets**

8210	*	Realized gains/losses on disposal of assets .....	0	2,950
8211		Realized gains/losses on sale of investments .....	0	0
8212		Realized gains/losses on sale of resource properties .....	0	0
			-----	-----
<b>Realized gains/losses on disposal of assets</b>			<b>0</b>	<b>2,950</b>
			=====	=====

**ESSEX POWERLINES CORPORATION**
**Sch. 8299**
**Account/Business No.: 870066529RC0001**
**Year Ended: 2001-12-31**
**NPO amounts received**

8220	NPO amounts received .....	0	0
8221	Membership fees .....	0	0
8222	Assessments .....	0	0
8223	Gifts .....	0	0
8224	Gross sales and revenues from organizational activities .....	0	0
		-----	-----
		0	0
		=====	=====

**Other revenue**

8230	* Other revenue .....	62,994	209,633
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
		-----	-----
	<b>Other revenue</b>	<b>62,994</b>	<b>209,633</b>
		=====	=====

**8299**
**Total Revenue**
**10,487,795 23,330,205**
**=====**

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 . . . . .	+ 9,431,726	19,772,545
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
			=====	=====

**ESSEX POWERLINES CORPORATION**
**Sch. 8518**
**Account/Business No.: 870066529RC0001**
**Year Ended: 2001-12-31**
**Other direct costs**

8450	* Other direct costs .....	0	0
8451	Equipment hire and operation .....	0	0
8452	Log yard .....	0	0
8453	Forestry costs .....	0	0
8454	Logging road costs .....	0	0
8455	Stumpage costs .....	0	0
8456	Royalty costs .....	0	0
8457	Freight in and duty .....	0	0
8458	Inventory write down .....	0	0
8459	Direct cost amortization of tangible assets .....	0	0
8460	Direct cost amortization of natural resource assets .....	0	0
8461	Overhead expenses allocated to cost of sales .....	0	0
		-----	-----
	<b>Other direct costs</b>	+	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
		-----	-----
	<b>Closing inventory</b>	-	0
		=====	=====

**8518**
**Cost of Sales**
**= 9,431,726 19,772,545**  
**=====**

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Operating Expenses

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	---------------

Advertising and promotion

8520	*	Advertising and promotion .....	0	12,341
8521		Advertising .....	0	0
8522		Donations .....	0	0
8523		Meals and entertainment .....	0	0
8524		Promotion .....	0	0
			-----	-----
Advertising and promotion			+ 0	12,341
			=====	=====

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 .....	+	231,100	687,503

Insurance

8690	*	Insurance .....	0	0
8691		Life insurance on executives .....	0	0
			-----	-----
Insurance			+ 0	0
			=====	=====

## Interest and bank charges

8710	*	Interest and bank charges	138,444	24,981
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			+ 138,444	24,981
			=====	=====

## Interest paid (financial institutions)

8740	*	Interest paid (financial institutions)	0	0
8741		Interest paid on deposits	0	24,981
8742		Interest paid on bonds and debentures	0	0
			-----	-----
Interest paid (financial institutions)			+ 0	24,981
			=====	=====

## 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	453,666
			-----	-----
Office expenses			+ 0	453,666
			=====	=====

## 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
		-----	-----
	<b>Professional fees</b>	+	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
		-----	-----
	<b>Rental</b>	+	0
		=====	=====

## Repairs and maintenance

8960	* Repairs and maintenance	0	1,502,067
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
		-----	-----
	<b>Repairs and maintenance</b>	+	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
		-----	-----
	<b>Other repairs and maintenance</b>	+	0
		=====	=====

**ESSEX POWERLINES CORPORATION**
**Sch. 9367**
**Account/Business No.: 870066529RC0001**
**Year Ended: 2001-12-31**
**Salaries and wages**

9060	* Salaries and wages .....	0	638,125
9061	Commissions .....	0	0
9062	Crew share .....	0	0
9063	Bonuses .....	0	0
9064	Directors fees .....	0	0
9065	Management salaries .....	0	312,613
9066	Employee salaries .....	0	0
		-----	-----
	<b>Salaries and wages</b>	+	0
		=====	=====

9110	Sub-contracts .....	+	0	0
------	---------------------	---	---	---

**Supplies**

9130	* Supplies . . . . .	0	
9131	Small tools . . . . .	0	
9132	Shop expense . . . . .	0	
9133	Uniforms . . . . .	0	
9134	Laundry . . . . .	0	
9135	Food and catering . . . . .	0	
9136	Fishing gear . . . . .	0	
9137	Nets and traps . . . . .	0	
9138	Salt, bait and ice . . . . .	0	
9139	Camp supplies . . . . .	0	
9150	Computer-related expenses . . . . .	0	
9151	Upgrade . . . . .	0	
9152	Internet . . . . .	0	
		-----	-----
	<b>Supplies</b>	+	0

9180	Property taxes .....	0	0
		=====	=====

**Travel expenses**

9200	* Travel expenses . . . . .	0	
9201	Meetings and conventions . . . . .	0	
		-----	-----
	<b>Travel expenses</b>	+ 0	
		=====	=====

**Utilities**

9220	* Utilities . . . . .	0	
9221	Electricity . . . . .	0	
9222	Water . . . . .	0	
9223	Heat . . . . .	0	
9224	Fuel costs . . . . .	0	
9225	Telephone and telecommunications . . . . .	0	
		-----	-----
	Utilities	+	0
		=====	=====



**ESSEX POWERLINES CORPORATION**
**Sch. 9367**
**Account/Business No.: 870066529RC0001**
**Year Ended: 2001-12-31**
**Other expenses**

9270	* Other expenses . . . . .	304,619	0
9271	Cash over/short . . . . .	0	0
9272	Reimbursement of parent company expense . . . . .	0	0
9273	Selling expenses . . . . .	255,819	0
9274	Shipping and warehouse expense . . . . .	0	0
9275	Delivery, freight and express . . . . .	0	0
9276	Warranty expenses . . . . .	0	0
9277	Royalty expenses - resident . . . . .	0	0
9278	Royalty expenses - non-resident . . . . .	0	0
9279	Dumping charges . . . . .	0	0
9280	Land fill fees . . . . .	0	0
9281	Vehicle expenses . . . . .	0	0
9282	Research and development . . . . .	0	0
9283	Withholding taxes . . . . .	0	0
9284	General and administrative expenses . . . . .	479,113	0
9285	Interdivisional . . . . .	0	0
9286	Interfund transfer . . . . .	0	0
		-----	-----
	<b>Other expenses</b>	<b>+ 1,039,551</b>	<b>0</b>
		=====	=====

**9367**
**Total Operating Expenses**
**= 1,409,095 3,656,277**  
**=====**

**Essex Powerlines Corporation**


**Financial Statements**

**For the year ended December 31, 2002**



# GRAHAM, SETTERINGTON, McINTOSH, DRIEDGER & HICKS

CHARTERED ACCOUNTANTS

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## AUDIT REPORT

To the Shareholders of  
Essex Powerlines Corporation

We have audited the balance sheet of Essex Powerlines Corporation as at December 31, 2002 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion these financial statements present fairly, in all material respects, the financial position of the Essex Powerlines Corporation as at December 31, 2002 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Canada as disclosed in note 2 to the financial statements.

Respectfully submitted,  
GRAHAM, SETTERINGTON, McINTOSH,  
DRIEDGER & HICKS

*Graham, Setterington, McIntosh,  
Driedger & Hicks*

Chartered Accountants

Leamington, Ontario  
March 17, 2003

# Essex Powerlines Corporation

## Balance Sheet as at December 31

	2002	2001
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 3,124,066	\$ 4,580,515
Accounts receivable (note 3)	2,613,675	3,880,210
Miscellaneous receivables	124,863	484,992
Prepaid expenses	92,709	84,028
Unbilled revenue	5,202,678	3,207,088
Income taxes receivable (note 2)	162,734	-
Inventories (note 2)	732,814	560,369
	<b>12,053,539</b>	<b>12,797,202</b>
<b>Capital Assets (note 2 and 4)</b>	<b>23,023,901</b>	<b>22,932,038</b>
<b>Other</b>		
Regulatory assets (note 5)	2,222,875	274,335
Transition costs (note 6)	933,460	691,600
	<b>3,156,335</b>	<b>965,935</b>
	<b>\$ 38,233,775</b>	<b>\$ 36,695,175</b>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Balance Sheet as at December 31

	2002	2001
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 5,413,707	\$ 4,429,808
Due to associated company (note 12)	2,665,898	7,666,572
Revolving loan (note 10)	6,600,000	5,500,000
Current portion of customer deposits (note 7)	169,145	169,145
	<b>14,848,750</b>	<b>17,765,525</b>
<b>Long-term liabilities</b>		
Customer deposits (note 7)	886,783	616,746
Long-term debt (note 8)	22,348,673	18,730,817
	<b>23,235,456</b>	<b>19,347,563</b>
<b>Contingencies (note 9)</b>	-	-
<b>Shareholder's Equity</b>		
Capital stock (note 11)	5	5
Retained earnings (deficit)	149,564	(417,918)
	<b>149,569</b>	<b>(417,913)</b>
	<b>\$ 38,233,775</b>	<b>\$ 36,695,175</b>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Statement of Income and Expenses

For the years ended December 31

	2002	2001
<b>Service Revenue</b>		
Residential	\$ -	\$ 22,519,821
General service	-	20,048,044
Street Lighting	-	394,774
Service revenue adjustment	341,374	(1,302,484)
Distribution Revenue	7,443,884	-
	7,785,258	41,660,155
Power purchased	-	36,110,393
<b>Gross margin on service revenue</b>	<b>7,785,258</b>	<b>5,549,762</b>
<b>Other revenue</b>		
Late payment charges	93,050	153,552
Miscellaneous revenue	89,175	71,966
Pole and light rentals	108,161	70,286
Interest income	266,688	256,994
	557,074	552,798
<b>Expenses</b>		
Billing and collecting	667,459	530,174
Administration and general	2,471,234	2,081,172
Operations and maintenance	2,367,348	2,016,934
Amortization	1,203,079	1,156,396
Bank charges and interest expense	255,503	318,445
Long term interest	540,066	280,242
	7,504,689	6,383,363
<b>Net income (loss)</b>	<b>\$ 837,643</b>	<b>\$ (280,803)</b>

*See Accompanying Notes*

# **Essex Powerlines Corporation**

## **Statement of Retained Earnings**

**For the years ended December 31**

	<b>2002</b>	<b>2001</b>
<b>Retained earnings (deficit) at beginning of year</b>	<b>\$ (417,918)</b>	<b>\$ (98,615)</b>
<b>Net income (loss)</b>	<b>837,643</b>	<b>(280,803)</b>
<b>Income taxes - current (note 2)</b>	<b>(270,161)</b>	<b>(38,500)</b>
<b>Retained earnings (deficit) at end of year</b>	<b>\$ 149,564</b>	<b>\$ (417,918)</b>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Statement of Cash Flows For the years ended December 31

	2002	2001
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net income (loss) from operations	\$ 837,643	\$ (319,304)
Add items not involving cash:	-	-
Amortization of capital assets	1,203,078	1,156,397
Net change in non-cash working capital	(3,466,825)	(10,624,973)
Income taxes	(432,895)	-
	(1,858,999)	(9,787,880)
<b>Financing activities</b>		
Capital contributions received	309,358	135,365
Long term debt proceeds	3,887,892	11,028,459
Regulatory assets	(1,948,540)	-
Transition costs	(241,860)	-
	2,006,850	11,163,824
<b>Investing activities</b>		
Purchase of capital assets	(1,604,300)	(641,179)
Increase (Decrease) in cash	(1,456,449)	734,765
Cash, Beginning of year	4,580,515	3,845,750
<b>Cash, End of year</b>	<b>\$ 3,124,066</b>	<b>\$ 4,580,515</b>
<b>Net changes in non-cash working capital</b>		
Accounts receivable	\$ (368,925)	\$ (1,139,379)
Other assets	(8,681)	(1,049,963)
Inventory	(172,445)	179,027
Current liabilities	(2,916,774)	(8,614,659)
	\$ (3,466,825)	\$ (10,624,974)



# Essex Powerlines Corporation

## Notes to Financial Statements

For the years ended December 31, 2002

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### 1. Nature of Business

#### *Business Operations*

Essex Powerlines Corporation serves as the rate regulated "local distribution company" (LDC) which provides reliable safe power to over 25,000 residents and businesses in Amherstburg, LaSalle, Leamington and Tecumseh.

#### *General*

The Ontario Government enacted the Energy Competition Act, 1998 to introduce competition to the Ontario electricity market. Under the terms of the legislation, the Ontario Energy Board ("OEB") will regulate industry participants by issuing licenses for the right to generate, transmit distribute or retail electricity. These licenses will require compliance with established market rules and codes.

### 2. Summary of Significant Accounting Policies

#### *Basis of presentation*

The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada for electric utilities.

#### *Inventories*

Inventories of materials and supplies are valued at the lower of cost and net realizable value, with cost determined on an average cost basis.

#### *Capital Assets*

Capital assets are stated at cost less applicable rebates, accumulated amortization and contributions in aid of construction. Amortization is determined on a straight-line basis over the estimated useful lives of the assets.

Transmission and Distribution	25 years	Straight-line
Office and computer equipment	10 years	Straight-line

In the year of addition a full year of amortization is written off. When specifically identifiable items are retired or otherwise disposed of, their original cost and accumulated depreciation are removed from the accounts and the related gain or loss is included in income in the year of disposal.

#### *Contributions in aid of construction*

Contributions in aid of construction are non-refundable contributions of capital assets made by developers or subdividers which becomes part of the distribution system. They are recorded as a reduction of the related assets values. These amounts will be amortized on the same basis as the related capital asset.

#### *Revenue Recognition*

In accordance with OEB regulations, the Corporation recognizes as revenue the regulated distribution tariffs associated with energy distributed and variances between energy purchase costs and energy billed are recorded as regulatory assets or liabilities for future distribution rate application consideration.

# Essex Powerlines Corporation

## Notes to Financial Statements

For the years ended December 31, 2002

### 2. Summary of Significant Accounting Policies (cont'd)

#### *Revenue Recognition (cont'd)*

The company follows the practice of cycle billing of customers' accounts and revenue is recognized in the period billed. An accrual is made in the accounts at December 31 for power supplied but not billed to customers between the date the meters were last read and the end of the year.

#### *Income Taxes - Payments in Lieu*

The income taxes are to be calculated in accordance with the rules for computing income, capital and other taxes provided for in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Energy Act and related regulations. After October 1, 2001 the Corporation is required, to compute and remit to the Ontario Electricity Financing Corporation payments in lieu of corporate taxes.

The Corporation follows the tax allocation basis of accounting for income taxes whereby income tax expense is recorded in the years the income and expense are recognized for accounting purposes regardless of when the related taxes are actually paid or recovered.

#### *Measurement Uncertainty*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of financial statements. Certain estimates are also required as regulations, which will ultimately determine the actual results, have yet to be finalized and are dependent on the completion of regulatory proceedings or decisions. Due to these uncertainties, actual results might differ from those estimates and the impact will be recorded in the current period when the actual results are known.

### 3. Accounts Receivable

	2002	2001
<i>Distribution, Energy and other receivables</i>	\$ 1,756,515	\$ 2,929,678
<i>Water and sewer receivables</i>	952,160	999,532
<i>Less: Allowance for doubtful accounts</i>	(95,000)	(49,000)
	<u>\$ 2,613,675</u>	<u>\$ 3,880,210</u>

# Essex Powerlines Corporation

## Notes to Financial Statements

For the years ended December 31, 2002

### 4. Capital Assets

	2002	2001
<i>Land and Land rights</i>	\$ 51,825	\$ 50,907
<i>Transmission and distribution equipment</i>	25,976,338	24,704,517
<i>Office and computer equipment</i>	42,204	20,000
	26,070,367	24,775,424
Less: Accumulated Amortization	3,046,466	1,843,386
	\$ 23,023,901	\$ 22,932,038

### 5. Regulatory Assets

The pre-market opening variance account has been set up as directed by the Ontario Energy Board (OEB) to record the difference between the cost of power based on Time of Use (TOU) and the amounts billed to non-TOU customers charged on an average rate from January 1, 2001 until the date of opening the competitive electricity market in Ontario. The retail settlement and cost variance accounts represent the difference between costs charged to Essex Powerlines Corporation and allowed rates charged to customers. These variances, deferred payments in lieu, and extra ordinary event losses have been designated as regulatory assets by the Ministry of Energy, Science and Technology and the disposition of these amounts will be considered and implemented before the end of 2003.

	2002	2001
<i>Pre-market opening variance</i>	\$ 693,082	\$ 274,335
<i>Retail settlement and cost variance</i>	1,050,969	-
<i>Deferred payments in lieu</i>	307,645	-
<i>Extra ordinary event losses</i>	171,179	-
	\$ 2,222,875	\$ 274,335

# Essex Powerlines Corporation

## Notes to Financial Statements

For the years ended December 31, 2002

### 6. Transition Costs

The transition costs are those capital and non-capital expenditures incurred prior to market opening and meeting the four requirements for transition costs as outlined by the OEB. The capital costs are amortized over their estimated useful life similar to the other capital assets except that the annual amortization is added to the non-capital costs instead of being expensed. The non-capital and return on capital costs are to be recovered in the rate approval process. Any amounts determined by the OEB to be ineligible as a transition cost would have to be recorded, depending on their nature, as an expense or capital asset addition. The capital and non-capital portion of the transition costs are eligible to earn a rate of return as approved by the OEB. These variances have been designated as regulatory assets by the Ministry of Energy, Science and Technology and the disposition of these amounts will be considered and implemented before the end of 2003.

	2002	2001
<i>Capital costs</i>	\$ 405,837	\$ 461,932
<i>Non-capital costs</i>	434,347	190,399
<i>Return on capital and non-capital costs</i>	93,276	39,269
	<b>\$ 933,460</b>	<b>\$ 691,600</b>

### 7. Customer Deposits

Customer deposits are amounts received from customers who do not own the property and are held as security for energy consumption until the customer's account is closed. Interest is to be paid annually at the average yearly savings interest rate.

### 8. Long-Term Debt

	2002	2001
<i>Long-Term Loan Payable - is repayable as approved by the Board of Directors not to exceed 15% of the principal lending amount if funds are available as determined each July. Interest is payable at a stated interest rate of 7.25%. The debt is owing to the shareholder's of the parent company.</i>	\$ 6,575,877	\$ 7,730,817
<i>Promissory Note Payable - Essex Power Corporation - is repayable on demand with a stated interest rate of 0% and no formal repayment terms. It is the intention of the board of directors that this remain a long-term debt.</i>	15,772,796	11,000,000
	<b>\$ 22,348,673</b>	<b>\$ 18,730,817</b>

# Essex Powerlines Corporation

## Notes to Financial Statements

For the years ended December 31, 2002

### 9. Contingencies

The Essex Powerlines Corporation subscribes for liability insurance coverage under a self-insurance pool administered by the Municipal Electric Association Reciprocal Insurance Exchange. Under the terms of this co-operative venture the Corporation as a pool member, in addition to its regular policy premiums, is contingently liable for any retroactive reassessment if a deficit originates in a year in which they are a member. The contingent liability for reassessment in respect of any year in which the Corporation is a pool member continues even where the Utility subsequently withdraws from the self-insurance pool. The Corporation will not, however, be subject to reassessment for claims incurred in years in which they are not members of this self-insurance pool.

A letter of credit in the amount of \$3,000,000 has been issued by the TD Bank to the credit of the Independent Electricity Market Operator ("IMO") for the commodity purchases and market services provided. This letter of credit expires April 15, 2003 and is normally renewed annually.

### 10. Revolving loan

	2002	2001
<i>Banker's Acceptance - Toronto Dominion Bank is due January 14, 2003 at an interest rate of 3.05 % and is renewed for various terms. Security consists of a first floating and fixed charge over assets.</i>	\$ 6,600,000	\$ 5,500,000

### 11. Capital stock

	2002	2001
Authorized Unlimited Common shares, Class A voting		
Unlimited Common shares, Class B non-voting		
Issued 50 Common shares, Class A voting	\$ 5	\$ 5

### 12. Related party transactions

The Company engages into transactions with its affiliated and parent companies. The following is a summary of the related party transactions. These transactions are measured at exchange amount, which is the amount of consideration established and agreed to by the related parties. Essex Powerlines Corporation is affiliated with Essex Power Services Corporation, Essex Energy Corporation and is the subsidiary of Essex Power Corporation.

	2002	2001
<i>Service fees paid to affiliate</i>	\$ 5,152,082	\$ 4,216,818
<i>Management fees paid to parent</i>	659,018	548,035
<i>Amounts owing to affiliates</i>	\$ 18,438,694	\$ 18,666,572

# **Essex Powerlines Corporation**

## **Notes to Financial Statements**

**For the years ended December 31, 2002**

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### **13. Financial Instruments**

Unless otherwise noted, it is management's opinion that the fair values of all financial assets and liabilities are not materially different from their carrying values.

**Essex Powerlines Corporation**

**Financial Statements**

**For the year ended December 31, 2003**





# GRAHAM, SETTERINGTON, McINTOSH, DRIEDGER & HICKS

CHARTERED ACCOUNTANTS



DAVID P. SETTERINGTON, FCA  
AL W. McINTOSH, CA  
PAUL H. DRIEDGER, BSc, CA  
R. TYLER HICKS, BBA, CA  
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## AUDIT REPORT

### To the Shareholders of Essex Powerlines Corporation

We have audited the balance sheet of Essex Powerlines Corporation as at December 31, 2003 and the statements of income and expenses, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion these financial statements present fairly, in all material respects, the financial position of the Essex Powerlines Corporation as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Respectfully submitted,  
GRAHAM, SETTERINGTON, McINTOSH,  
DRIEDGER & HICKS

*Graham, Settersington, McIntosh,  
Driedger & Hicks*

Chartered Accountants

Leamington, Ontario  
March 17, 2004



# Essex Powerlines Corporation

## Balance Sheet as at December 31

	2003	2002
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 3,190,751	\$ 3,124,066
Accounts receivable (note 3)	3,923,133	2,613,675
Miscellaneous receivables	255,291	124,863
Prepaid expenses	94,075	92,709
Unbilled revenue	4,462,365	5,202,678
Income taxes receivable (note 2)	114	162,734
Inventories (note 2)	646,242	732,814
	<b>12,571,971</b>	<b>12,053,539</b>
<b>Capital Assets (note 2 and 4)</b>	<b>23,103,769</b>	<b>23,023,901</b>
<b>Other</b>		
Regulatory assets (note 5)	921,919	2,222,875
Transition costs (note 6)	994,370	933,460
	<b>1,916,289</b>	<b>3,156,335</b>
	<b>\$ 37,592,029</b>	<b>\$ 38,233,775</b>

*See Accompanying Notes*

**Essex Powerlines Corporation****Balance Sheet**  
**as at December 31**

	2003	2002
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,931,316	\$ 5,413,708
Due to associated company (note 12)	1,771,418	2,665,898
Revolving loan (note 10)	300,000	6,600,000
Current portion of customer deposits (note 7)	195,000	169,145
Current portion of long-term debt (note 9)	3,097,009	1,937,387
	<b>10,294,743</b>	<b>16,786,138</b>
<b>Long-term liabilities</b>		
Customer deposits (note 7)	890,816	886,783
Long-term debt (note 9)	25,551,664	20,411,286
	<b>26,442,480</b>	<b>21,298,069</b>
<b>Contingencies (note 8)</b>	-	-
<b>Shareholder's Equity</b>		
Capital stock (note 11)	5	5
Retained earnings	854,801	149,563
	<b>854,806</b>	<b>149,568</b>
	<b>\$ 37,592,029</b>	<b>\$ 38,233,775</b>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Statement of Income and Expenses

For the years ended December 31

	2003	2002
<b>Service Revenue</b>		
Distribution Revenue	\$ 7,785,431	\$ 7,443,884
Service revenue adjustment	(26,557)	341,374
	<u>7,758,874</u>	<u>7,785,258</u>
<b>Other revenue</b>		
Late payment charges	98,958	93,050
Miscellaneous revenue	157,923	89,175
Pole and light rentals	114,552	108,161
Interest income	299,630	266,688
	<u>671,063</u>	<u>557,074</u>
<b>Expenses</b>		
Billing and collecting	666,302	667,459
Administration and general	2,007,045	2,471,234
Operations and maintenance	2,398,279	2,367,348
Amortization	1,248,891	1,203,079
Bank charges and interest expense	250,054	255,503
Long term interest	603,379	540,066
	<u>7,173,950</u>	<u>7,504,689</u>
<b>Income from operations</b>	<b>1,255,987</b>	<b>837,643</b>
<b>Income taxes - current (note 2)</b>	<b>(550,749)</b>	<b>(270,161)</b>
<b>Net income</b>	<b>705,238</b>	<b>567,482</b>
<b>Retained earnings (deficit) at beginning of year</b>	<b>149,563</b>	<b>(417,919)</b>
<b>Retained earnings (deficit) at end of year</b>	<b>\$ 854,801</b>	<b>\$ 149,563</b>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Statement of Cash Flows For the years ended December 31

	2003	2002
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net income from operations	\$ 705,238	\$ 567,482
Add items not involving cash:		
Amortization of capital assets	1,248,891	1,203,078
Regulatory assets and transition charges	1,240,046	(2,190,400)
Net change in non-cash working capital	(6,943,143)	(3,629,559)
	(3,748,968)	(4,049,399)
<b>Financing activities</b>		
Capital contributions received	811,688	309,358
Change in long term debt	5,144,411	3,887,892
	5,956,099	4,197,250
<b>Investing activities</b>		
Purchase of capital assets	(2,140,446)	(1,604,300)
Increase (Decrease) in cash	66,685	(1,456,449)
Cash, Beginning of year	3,124,066	4,580,515
<b>Cash, End of year</b>	<b>\$ 3,190,751</b>	<b>\$ 3,124,066</b>
<b>Net changes in non-cash working capital</b>		
Accounts receivable	\$ (699,574)	\$ (531,659)
Other assets	161,254	(8,681)
Inventory	86,572	(172,445)
Current liabilities	(6,491,395)	(2,916,774)
	\$ (6,943,143)	\$ (3,629,559)

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2003

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### 1. Nature of Business

#### *Business Operations*

Essex Powerlines Corporation serves as the rate regulated "local distribution company" (LDC) which provides reliable safe power to over 25,000 residents and businesses in Amherstburg, LaSalle, Leamington and Tecumseh.

#### *General*

The Ontario Government enacted the Energy Competition Act, 1998 to introduce competition to the Ontario electricity market. Under the terms of the legislation, the Ontario Energy Board ("OEB") will regulate industry participants by issuing licenses for the right to generate, transmit distribute or retail electricity. These licenses will require compliance with established market rules and codes.

### 2. Summary of Significant Accounting Policies

#### *Basis of presentation*

The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada for electric utilities.

#### *Inventories*

Inventories of materials and supplies are valued at the lower of cost and net realizable value, with cost determined on an average cost basis.

#### *Capital Assets*

Capital assets are stated at cost less applicable rebates, accumulated amortization and contributions in aid of construction. Amortization is determined on a straight-line basis over the estimated useful lives of the assets.

Transmission and Distribution	25 years	Straight-line
Office and computer equipment	10 years	Straight-line
Computer Software	5 years	Straight-line

In the year of addition a full year of amortization is written off. When specifically identifiable items are retired or otherwise disposed of, their original cost and accumulated depreciation are removed from the accounts and the related gain or loss is included in income in the year of disposal.

#### *Contributions in aid of construction*

Contributions in aid of construction are non-refundable contributions of capital assets made by developers or subdividers which becomes part of the distribution system. They are recorded as a reduction of the related asset values. These amounts will be amortized on the same basis as the related capital asset.

#### *Revenue Recognition*

In accordance with OEB regulations, the Corporation recognizes as revenue the regulated distribution tariffs associated with energy distributed and variances between energy purchase costs and energy billed are recorded as regulatory assets or liabilities for future distribution rate application consideration.

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2003

### 2. Summary of Significant Accounting Policies (cont'd)

#### *Revenue Recognition (cont'd)*

The company follows the practice of cycle billing of customers' accounts and revenue is recognized in the period billed. An accrual is made in the accounts at December 31 for power supplied but not billed to customers between the date the meters were last read and the end of the year.

#### *Income Taxes - Payments in Lieu*

The income taxes are to be calculated in accordance with the rules for computing income, capital and other taxes provided for in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Energy Act and related regulations. After October 1, 2001 the Corporation is required, to compute and remit to the Ontario Electricity Financing Corporation payments in lieu of corporate taxes.

The Corporation follows the taxes payable basis of accounting for income taxes whereby the provision for income taxes represent the estimated amount of taxes that will be assessed for the year. Future income taxes have not been recognized to the extent that they are expected to be included in the approved rate charged to customers in the future and are expected to be recovered from future customers.

#### *Measurement Uncertainty*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of financial statements. Certain estimates are also required as regulations, which will ultimately determine the actual results, have yet to be finalized and are dependent on the completion of regulatory proceedings or decisions. Due to these uncertainties, actual results might differ from those estimates and the impact will be recorded in the current period when the actual results are known.

### 3. Accounts Receivable

	2003	2002
<i>Distribution, Energy and other receivables</i>	\$ 2,817,766	\$ 1,756,515
<i>Water and sewer receivables</i>	1,157,367	952,160
<i>Less: Allowance for doubtful accounts</i>	(52,000)	(95,000)
	<b>\$ 3,923,133</b>	<b>\$ 2,613,675</b>

### 4. Capital Assets

# Essex Powerlines Corporation

## Notes to Financial Statements For the year ended December 31, 2003

	2003	2002
<i>Land and Land rights</i>	\$ 51,825	\$ 51,825
<i>Transmission and distribution equipment</i>	27,284,428	25,976,338
<i>Computer software</i>	62,872	42,204
	27,399,125	26,070,367
<i>Less: Accumulated Amortization</i>	4,295,356	3,046,466
	<b>\$ 23,103,769</b>	<b>\$ 23,023,901</b>

### 5. Regulatory Assets

The pre-market opening variance account has been set up as directed by the Ontario Energy Board (OEB) to record the difference between the cost of power based on Time of Use (TOU) and the amounts billed to non-TOU customers charged on an average rate from January 1, 2001 until the date of opening the competitive electricity market in Ontario. The retail settlement and cost variance accounts represent the difference between costs charged to Essex Powerlines Corporation and allowed rates charged to customers. These variances, deferred payments in lieu, and extra ordinary event losses have been designated as regulatory assets by the Ministry of Energy, Science and Technology and the disposition of these amounts are currently being reviewed by the Ontario Energy Board for recovery on a phased in approach of 25% each year for the next 4 years beginning in 2004.

	2003	2002
<i>Pre-market opening variance</i>	\$ 693,082	\$ 693,082
<i>Retail settlement and cost variance</i>	69,526	1,050,969
<i>Deferred payments in lieu</i>	(33,492)	307,645
<i>Extra ordinary event losses</i>	192,803	171,179
	<b>\$ 921,919</b>	<b>\$ 2,222,875</b>

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2003

### 6. Transition Costs

The transition costs are those capital and non-capital expenditures incurred prior to market opening and meeting the four requirements for transition costs as outlined by the OEB. The capital costs are amortized over their estimated useful life similar to the other capital assets except that the annual amortization is added to the non-capital costs instead of being expensed. The non-capital and return on capital costs are to be recovered in the rate approval process. Any amounts determined by the OEB to be ineligible as a transition cost would have to be recorded, depending on their nature, as an expense or capital asset addition. The capital and non-capital portion of the transition costs are eligible to earn a rate of return as approved by the OEB. These variances have been designated as regulatory assets by the Ministry of Energy, Science and Technology and the disposition of these amounts are currently being reviewed by the OEB for recovery on a phased in approach. These transition costs will be reviewed in 2004 by the OEB for recovery from 2005 to 2007.

	2003	2002
<i>Capital costs</i>	\$ 286,665	\$ 405,837
<i>Non-capital costs</i>	553,519	434,347
<i>Return on capital and non-capital costs</i>	154,186	93,276
	<u>\$ 994,370</u>	<u>\$ 933,460</u>

### 7. Customer Deposits

Customer deposits are amounts received and held as security for energy consumption until the customer's account is closed. Interest is to be paid annually at the average yearly savings interest rate.

### 8. Contingencies

The Essex Powerlines Corporation subscribes for liability insurance coverage under a self-insurance pool administered by the Municipal Electric Association Reciprocal Insurance Exchange. Under the terms of this co-operative venture the Corporation as a pool member, in addition to its regular policy premiums, is contingently liable for any retroactive reassessment if a deficit originates in a year in which they are a member. The contingent liability for reassessment in respect of any year in which the Corporation is a pool member continues even where the Utility subsequently withdraws from the self-insurance pool. The Corporation will not, however, be subject to reassessment for claims incurred in years in which they are not members of this self-insurance pool.

A letter of credit in the amount of \$2,754,530 has been issued by the TD Bank to the credit of the Independent Electricity Market Operator ("IMO") for the commodity purchases and market services provided. This letter of credit expires April 15, 2004 and is normally renewed annually.

### 9. Long-Term Debt



# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2003

	2003	2002
<i>Long-Term Loan Payable - is repayable as approved by the Board of Directors not to exceed 15% of the principal lending amount if funds are available as determined each July. Interest is payable at a stated interest rate of 7.25%.. The debt is owing to the shareholder's of the parent company.</i>	\$ 6,575,877	\$ 6,575,877
<i>Promissory Note Payable - Essex Power Corporation - is repayable on demand with a stated interest rate of 0% and no formal repayment terms. It is the intention of the board of directors that this remain a long-term debt.</i>	15,772,796	15,772,796
<i>Banker's Acceptance/Interest rate swaps - Toronto Dominion Bank - is a 10 year swap repayable with interest only payments at an interest rate of 5.3%. It is the intention of the board of directors that this remain a long-term debt.</i>	3,000,000	-
<i>Banker's Acceptance/Interest rate swaps - Toronto Dominion Bank - is a 5 year swap repayable with interest only payments at an interest rate of 4.8%. It is the intention of the board of directors that this remain a long-term debt.</i>	3,300,000	-
Less: current portion	(3,097,009)	(1,937,387)
	<b>\$ 25,551,664</b>	<b>\$ 20,411,286</b>

Approximate long-term principal repayments over 4 years are as follows:

2004	\$ 3,097,009
2005	1,159,122
2006	1,159,122
2007	\$ 1,159,124

### 10. Revolving loan

	2003	2002
<i>Banker's Acceptance - Toronto Dominion Bank is due January 20, 2004 at an interest rate of 2.90 % and is renewed for various terms. Security consists of a first floating and fixed charge over assets.</i>	\$ 300,000	\$ 6,600,000

### 11. Capital stock

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2003

			2003	2002
Authorized	Unlimited	Common shares, Class A voting		
	Unlimited	Common shares, Class B non-voting		
Issued	50	Common shares, Class A voting	\$ 5	\$ 5

### 12. Related party transactions

The Company engages into transactions with its affiliated and parent companies. The following is a summary of the related party transactions. These transactions are measured at exchange amount, which is the amount of consideration established and agreed to by the related parties. Essex Powerlines Corporation is affiliated with Essex Power Services Corporation, Essex Energy Corporation and is the subsidiary of Essex Power Corporation.

	2003	2002
<i>Service fees paid to affiliate</i>	\$ 4,775,081	\$ 5,152,082
<i>Management fees paid to parent</i>	786,666	659,018
<i>Amounts owing to affiliates</i>	\$ 17,544,214	\$ 18,438,694

### 13. Financial Instruments

Unless otherwise noted, it is management's opinion that the fair values of all financial assets and liabilities are not materially different from their carrying values.

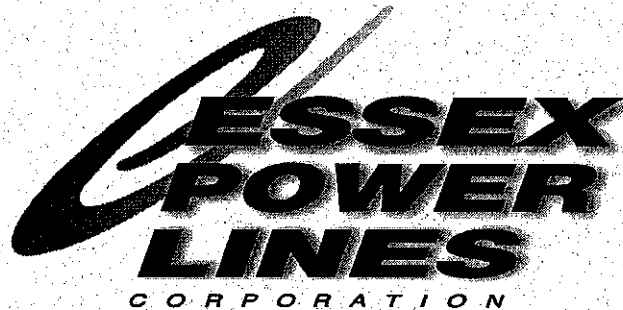
### 14. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

**Essex Powerlines Corporation**

**Financial Statements**

**For the year ended December 31, 2004**



# GRAHAM, SETTERINGTON, McINTOSH, DRIEDGER & HICKS

CHARTERED ACCOUNTANTS



DAVID P. SETTERINGTON, FCA  
AL W. McINTOSH, CA  
PAUL H. DRIEDGER, BSc, CA  
R. TYLER HICKS, BBA, CA  
HEATHER L. MacPHERSON, BAcc, CA  
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TELEPHONE (519) 326-2681  
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## AUDIT REPORT

### To the Shareholders of Essex Powerlines Corporation

We have audited the balance sheet of Essex Powerlines Corporation as at December 31, 2004 and the statements of income and expenses, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion these financial statements present fairly, in all material respects, the financial position of the Essex Powerlines Corporation as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Respectfully submitted,  
GRAHAM, SETTERINGTON, McINTOSH,  
DRIEDGER & HICKS

*Graham, Settersington, McIntosh,*  
*Driedger & Hicks*

Chartered Accountants

Leamington, Ontario  
March 17, 2005

# Essex Powerlines Corporation

## Balance Sheet as at December 31

	2004	2003
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 1,866,878	\$ 3,190,751
Accounts receivable (note 3)	5,062,495	3,923,133
Miscellaneous receivables	466,260	255,291
Prepaid expenses	115,807	94,075
Unbilled revenue	4,650,010	4,462,365
Income taxes receivable (note 2)	7,284	114
Inventory (note 2)	612,353	646,242
Regulatory assets (note 5)	-	921,919
	<b>12,781,087</b>	<b>13,493,890</b>
<b>Capital assets (note 2 and 4)</b>	<b>22,946,597</b>	<b>23,103,769</b>
<b>Other</b>		
Transition costs (note 6)	1,055,450	994,370
	<b>1,055,450</b>	<b>994,370</b>
	<b>\$ 36,783,134</b>	<b>\$ 37,592,029</b>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Balance Sheet as at December 31

	2004	2003
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 5,856,549	\$ 4,931,316
Due to affiliates (note 12)	665,184	1,771,418
Regulatory liabilities (note 5)	749,083	-
Dividends payable	300,000	-
Revolving loan (note 10)	-	300,000
Current portion of customer deposits (note 7)	613,736	324,840
Current portion of long term debt (note 9)	2,960,048	3,097,009
	<b>11,144,600</b>	<b>10,424,583</b>
<b>Long term liabilities</b>		
Customer deposits (note 7)	438,713	760,976
Long term debt (note 9)	24,392,042	25,551,664
	<b>24,830,755</b>	<b>26,312,640</b>
<b>Contingencies (note 8)</b>	-	-
<b>Shareholders' Equity</b>		
Capital stock (note 11)	5	5
Retained earnings	807,774	854,801
	<b>807,779</b>	<b>854,806</b>
	<b>\$ 36,783,134</b>	<b>\$ 37,592,029</b>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Statement of Income, Expenses and Retained Earnings

For the years ended December 31

	2004	2003
<b>Service revenue</b>		
Distribution revenue	\$ 7,797,700	\$ 7,785,431
Service revenue adjustment	35,028	(26,557)
	<u>7,832,728</u>	<u>7,758,874</u>
<b>Other revenue</b>		
Late payment charges	120,416	98,958
Miscellaneous revenue	98,313	157,923
Pole and light rentals	115,366	114,552
Interest income	241,913	299,630
	<u>576,008</u>	<u>671,063</u>
<b>Expenses</b>		
Billing and collecting	681,792	666,302
Administration and general	2,332,578	2,007,045
Operations and maintenance	2,659,144	2,398,279
Amortization	1,352,567	1,248,891
Bank charges and interest expense	240,110	250,054
Long term interest	588,356	603,379
	<u>7,854,547</u>	<u>7,173,950</u>
<b>Income from operations</b>	554,189	1,255,987
<b>Income taxes - current (note 2)</b>	(301,216)	(550,749)
<b>Net income</b>	252,973	705,238
<b>Retained earnings at beginning of year</b>	854,801	149,563
<b>Dividends</b>	(300,000)	-
<b>Retained earnings at end of year</b>	<u>\$ 807,774</u>	<u>\$ 854,801</u>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Statement of Cash Flows

For the years ended December 31

	2004	2003
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net income from operations	\$ 252,973	\$ 705,238
Add items not involving cash:		
Amortization of capital assets	1,352,566	1,248,891
Regulatory assets and transition charges	1,250,701	1,240,046
Net change in non-cash working capital	(1,415,104)	(6,943,143)
	<b>1,441,136</b>	<b>(3,748,968)</b>
<b>Financing activities</b>		
Capital contributions received	548,581	811,688
Change in long term debt	(1,569,615)	5,144,411
	<b>(1,021,034)</b>	<b>5,956,099</b>
<b>Investing activities</b>		
Purchase of capital assets	(1,743,975)	(2,140,446)
Increase (Decrease) in cash	(1,323,873)	66,685
Cash, beginning of year	3,190,751	3,124,066
<b>Cash, end of year</b>	<b>\$ 1,866,878</b>	<b>\$ 3,190,751</b>
<b>Net changes in non-cash working capital</b>		
Accounts receivable	\$ (1,537,861)	\$ (699,574)
Other assets	(199,642)	161,254
Inventory	33,889	86,572
Current liabilities	288,510	(6,491,395)
	<b>\$ (1,415,104)</b>	<b>\$ (6,943,143)</b>

*See Accompanying Notes*



# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2004

---

### 1. Nature of Business

#### *Business Operations*

Essex Powerlines Corporation serves as the rate regulated "local distribution company" (LDC) which provides reliable safe power to over 26,000 residents and businesses in Amherstburg, LaSalle, Leamington and Tecumseh.

#### *General*

The Ontario Government enacted the Energy Competition Act, 1998 to introduce competition to the Ontario electricity market. Under the terms of the legislation, the Ontario Energy Board ("OEB") will regulate industry participants by issuing licenses for the right to generate, transmit distribute or retail electricity. These licenses will require compliance with established market rules and codes.

### 2. Summary of Significant Accounting Policies

#### *Basis of Presentation*

The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada for electric utilities.

#### *Inventory*

Inventories of materials and supplies are valued at the lower of cost and net realizable value, with cost determined on an average cost basis.

#### *Capital Assets*

Capital assets are stated at cost less applicable rebates, accumulated amortization and contributions in aid of construction. Amortization is determined on a straight-line basis over the estimated useful lives of the assets.

Transmission and distribution	25 years	Straight-line
Computer hardware and software	5 years	Straight-line

In the year of addition a full year of amortization is claimed. When specifically identifiable items are retired or otherwise disposed of, their original cost and accumulated depreciation are removed from the accounts and the related gain or loss is included in income in the year of disposal.

#### *Contributions in Aid of Construction*

Contributions in aid of construction are non-refundable contributions of capital assets made by developers or subdividers which become part of the distribution system. They are recorded as a reduction of the related asset values. These amounts will be amortized on the same basis as the related capital asset.

#### *Revenue Recognition*

In accordance with OEB regulations, the Corporation recognizes as revenue the regulated distribution tariffs associated with energy distributed. Variances between energy purchase costs and energy billed are recorded as regulatory assets or liabilities for future distribution rate application consideration.

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2004

### 2. Summary of Significant Accounting Policies (cont'd)

#### *Revenue Recognition (cont'd)*

The company follows the practice of cycle billing of customers' accounts and revenue is recognized in the period billed. An accrual is made in the accounts at December 31 for power supplied but not billed to customers between the date the meters were last read and the end of the year.

#### *Income Taxes - Payments in Lieu*

The income taxes are to be calculated in accordance with the rules for computing income, capital and other taxes provided for in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Energy Act and related regulations. After October 1, 2001 the Corporation is required, to compute and remit to the Ontario Electricity Financing Corporation payments in lieu of corporate taxes.

The Corporation follows the taxes payable basis of accounting for income taxes whereby the provision for income taxes represent the estimated amount of taxes that will be assessed for the year. Future income taxes have not been recognized to the extent that they are expected to be included in the approved rate charged to customers in the future and are expected to be recovered from future customers.

#### *Measurement Uncertainty*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of financial statements. Certain estimates are also required as regulations, which will ultimately determine the actual results, have yet to be finalized and are dependent on the completion of regulatory proceedings or decisions. Due to these uncertainties, actual results might differ from those estimates and the impact will be recorded in the current period when the actual results are known.

### 3. Accounts Receivable

	2004	2003
<i>Distribution, energy and other receivables</i>	\$ 3,597,528	\$ 2,817,766
<i>Water and sewer receivables</i>	1,569,445	1,157,367
	5,166,973	3,975,133
<i>Less: Allowance for doubtful accounts</i>	104,478	52,000
	\$ 5,062,495	\$ 3,923,133

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2004

### 4. Capital Assets

	2004	2003
<i>Land and land rights</i>	\$ 51,825	\$ 51,825
<i>Transmission and distribution equipment</i>	28,456,254	27,284,428
<i>Computer hardware and software</i>	86,441	62,872
	28,594,520	27,399,125
<i>Less: Accumulated Amortization</i>	5,647,923	4,295,356
	\$ 22,946,597	\$ 23,103,769

### 5. Regulatory (Assets) Liabilities

The pre-market opening variance account has been set up as directed by the Ontario Energy Board (OEB) to record the difference between the cost of power based on Time of Use (TOU) and the amounts billed to non-TOU customers charged on an average rate from January 1, 2001 until the date of opening the competitive electricity market in Ontario. The retail settlement and cost variance accounts represent the difference between costs charged to Essex Powerlines Corporation and allowed rates charged to customers. These variances, deferred payments in lieu, and extraordinary event losses have been designated as regulatory assets by the Ministry of Energy, Science and Technology. On March 11, 2004, interim approval was received from the Ontario Energy Board to recover 25 % of the retail settlement variance accounts each year for the next 4 years effective April 1, 2004. As directed by the Ontario Energy Board, Conservation and Demand Management program expenditures were incurred and charged to a deferral account for 2004. The C & D M plan was approved on March 3, 2005 by the OEB.

	2004	2003
<i>Pre-market opening variance</i>	\$ (823,178)	\$ (693,082)
<i>Retail settlement and cost variance</i>	1,629,615	(69,526)
<i>Deferred payments in lieu</i>	191,056	33,492
<i>Conservation and demand management expenditures</i>	(43,163)	-
<i>Extraordinary event losses</i>	(205,247)	(192,803)
	\$ 749,083	\$ (921,919)

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2004

### 6. Transition Costs

The transition costs are those capital and non-capital expenditures incurred prior to market opening and meeting the four requirements for transition costs as outlined by the OEB. The capital costs are amortized over their estimated useful life similar to the other capital assets except that the annual amortization is added to the non-capital costs instead of being expensed. The non-capital and return on capital costs are to be recovered in the rate approval process. Any amounts determined by the OEB to be ineligible as a transition cost would have to be recorded, depending on their nature, as an expense or capital asset addition. The capital and non-capital portion of the transition costs are eligible to earn a rate of return as approved by the OEB. These variances have been designated as regulatory assets by the Ministry of Energy, Science and Technology and the disposition of these amounts are currently being reviewed by the OEB for interim approval and recovery on a phased in approach effective May 1, 2005.

	2004	2003
<i>Capital costs</i>	\$ 156,844	\$ 286,665
<i>Non-capital costs</i>	686,746	553,519
<i>Return on capital and non-capital costs</i>	211,860	154,186
	<b>\$ 1,055,450</b>	<b>\$ 994,370</b>

### 7. Customer Deposits

Customer deposits are amounts received and held as security for energy consumption until the customer's account is closed. Interest is to be paid annually at the average yearly savings interest rate.

### 8. Contingencies

The Essex Powerlines Corporation subscribes for liability insurance coverage under a self-insurance pool administered by the Municipal Electric Association Reciprocal Insurance Exchange. Under the terms of this co-operative venture the Corporation as a pool member, in addition to its regular policy premiums, is contingently liable for any retroactive reassessment if a deficit originates in a year in which they are a member. The contingent liability for reassessment in respect of any year in which the Corporation is a pool member continues even where the Utility subsequently withdraws from the self-insurance pool. The Corporation will not, however, be subject to reassessment for claims incurred in years in which they are not members of this self-insurance pool.

A letter of credit in the amount of \$ 2,725,000 has been issued by the TD Bank to the credit of the Independent Electricity Market Operator ("IMO") for the commodity purchases and market services provided. This letter of credit expires April 15, 2005 and is normally renewed annually.

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2004

### 9. Long term debt

	2004	2003
<i>Long Term Loan Payable - is repayable as approved by the Board of Directors not to exceed 15% of the principal lending amount if funds are available as determined each July. Interest is payable at a stated interest rate of 7.25%. The debt is owing to the shareholders of the parent company.</i>	\$ 5,279,294	\$ 6,575,877
<i>Promissory Note Payable - Essex Power Corporation - is repayable on demand with a stated interest rate of 0% and no formal repayment terms. It is the intention of the board of directors that this remain a long-term debt.</i>	15,772,796	15,772,796
<i>Banker's Acceptance/Interest Rate Swaps - Toronto Dominion Bank - is a 10 year swap repayable with interest only payments at an interest rate of 5.3%. It is the intention of the board of directors that this remain a long-term debt.</i>	3,000,000	3,000,000
<i>Banker's Acceptance/Interest Rate Swaps - Toronto Dominion Bank - is a 5 year swap repayable with interest only payments at an interest rate of 4.8%. It is the intention of the board of directors that this remain a long term debt.</i>	3,300,000	3,300,000
	27,352,090	28,648,673
<i>Less: Current portion of long term debt</i>	2,960,048	3,097,009
	<b>\$ 24,392,042</b>	<b>\$ 25,551,664</b>

Approximate long term principal repayments over 3 years are as follows:

2005	\$ 2,960,048
2006	1,159,122
2007	\$ 1,159,124

### 10. Revolving Loan

	2004	2003
<i>Banker's Acceptance - Toronto Dominion Bank is due January 20, 2004 at an interest rate of 2.90 % and is renewed for various terms. Security consists of a first floating and fixed charge over assets.</i>	\$ -	\$ 300,000

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2004

### 11. Capital Stock

			2004	2003
<i>Authorized</i>	<i>Unlimited</i>	<i>Common shares, Class A voting</i>		
	<i>Unlimited</i>	<i>Common shares, Class B non-voting</i>		
<i>Issued</i>	50	<i>Common shares, Class A voting</i>	\$ 5	\$ 5

### 12. Related Party Transactions

The Company engages into transactions with its affiliated and parent companies. The following is a summary of the related party transactions. These transactions are measured at exchange amount, which is the amount of consideration established and agreed to by the related parties. Essex Powerlines Corporation is affiliated with Essex Power Services Corporation, Essex Energy Corporation and is the subsidiary of Essex Power Corporation.

	2004	2003
<i>Service fees to affiliate</i>	\$ 5,615,041	\$ 4,775,081
<i>Management fees to parent</i>	831,794	786,666
<i>Amounts owing to affiliates</i>	\$ 16,437,980	\$ 17,544,214

### 13. Financial Instruments


Unless otherwise noted, it is management's opinion that the fair values of all financial assets and liabilities are not materially different from their carrying values.

### 14. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

# GRAHAM, SETTERINGTON, McINTOSH, DRIEDGER & HICKS

CHARTERED ACCOUNTANTS

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## AUDIT REPORT

**To the Shareholders of  
Essex Powerlines Corporation**

We have audited the balance sheet of Essex Powerlines Corporation as at December 31, 2005 and the statements of income and expenses, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion these financial statements present fairly, in all material respects, the financial position of the Essex Powerlines Corporation as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Respectfully submitted,  
GRAHAM, SETTERINGTON, McINTOSH,  
DRIEDGER & HICKS

*Graham, Settersington, McIntosh,  
Driedger & Hicks*

Leamington, Ontario  
March 6, 2006

Chartered Accountants

# Essex Powerlines Corporation

## Balance Sheet as at December 31

	2005	2004
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 10,275,765	\$ 1,866,878
Accounts receivable	5,573,206	5,062,495
Miscellaneous receivables	644,786	466,260
Due from affiliates (note 9)	178,381	-
Prepaid expenses	110,000	115,807
Unbilled revenue	5,624,232	4,650,010
Income taxes receivable	47,242	7,284
Inventory (note 2)	-	612,353
	<b>22,453,612</b>	<b>12,781,087</b>
<b>Property, Plant and Equipment (note 2 and 3)</b>	<b>22,868,211</b>	<b>22,946,597</b>
<b>Other</b>		
Transition costs (note 4)	1,031,219	1,055,450
	<b>\$ 46,353,042</b>	<b>\$ 36,783,134</b>

*See Accompanying Notes*



# Essex Powerlines Corporation

## Balance Sheet as at December 31

	2005	2004
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 9)	\$ 17,272,675	\$ 5,856,549
Due to affiliates (note 9)	-	665,184
Regulatory liabilities (note 4)	378,846	749,083
Dividends payable	600,000	300,000
Current portion of customer deposits (note 5)	166,000	613,736
Current portion of long term debt (note 7)	3,591,474	2,960,048
	<u>22,008,995</u>	<u>11,144,600</u>
<b>Long term liabilities</b>		
Customer deposits (note 5)	360,294	438,713
Long term debt (note 7)	23,232,420	24,392,042
	<u>23,592,714</u>	<u>24,830,755</u>
<b>Contingencies (note 6)</b>	-	-
<b>Shareholders' Equity</b>		
Capital stock (note 8)	5	5
Retained earnings	751,328	807,774
	<u>751,333</u>	<u>807,779</u>
	<u>\$ 46,353,042</u>	<u>\$ 36,783,134</u>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Statement of Income, Expenses and Retained Earnings For the years ended December 31

	2005	2004
<b>Service revenue</b>		
Distribution revenue	\$ 9,051,197	\$ 7,797,700
Service revenue adjustment	185,418	35,028
	<b>9,236,615</b>	<b>7,832,728</b>
<b>Other revenue</b>		
Late payment charges	148,056	120,416
Miscellaneous revenue	92,758	98,313
Pole and light rentals	100,285	115,366
Interest income	105,326	241,913
	<b>446,425</b>	<b>576,008</b>
<b>Expenses</b>		
Billing and collecting	1,341,336	681,792
Administration and general	2,802,787	2,332,578
Operations and maintenance	2,636,733	2,659,144
Amortization	1,272,141	1,352,567
Bank charges and interest expense	261,769	240,110
Long term interest	523,402	588,356
	<b>8,838,168</b>	<b>7,854,547</b>
<b>Income from operations</b>	<b>844,872</b>	<b>554,189</b>
<b>Income taxes - current (note 2)</b>	<b>301,318</b>	<b>301,216</b>
<b>Net income</b>	<b>543,554</b>	<b>252,973</b>
<b>Retained earnings at beginning of year</b>	<b>807,774</b>	<b>854,801</b>
<b>Dividends</b>	<b>(600,000)</b>	<b>(300,000)</b>
<b>Retained earnings at end of year</b>	<b>\$ 751,328</b>	<b>\$ 807,774</b>

*See Accompanying Notes*

# Essex Powerlines Corporation

## Statement of Cash Flows For the years ended December 31

	2005	2004
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net income from operations	\$ 543,554	\$ 252,973
Add items not involving cash:		
Amortization of property, plant and equipment	1,272,141	1,352,566
Regulatory assets and transition charges	(346,006)	1,250,701
Net change in non-cash working capital	9,970,994	(1,115,104)
	<b>11,440,683</b>	<b>1,741,136</b>
<b>Financing activities</b>		
Dividend	(600,000)	(300,000)
Capital contributions received	1,658,536	548,581
Change in long term debt	(1,238,041)	(1,569,615)
	<b>(179,505)</b>	<b>(1,321,034)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(2,852,291)	(1,743,975)
Increase (Decrease) in cash	8,408,887	(1,323,873)
Cash, beginning of year	1,866,878	3,190,751
<b>Cash, end of year</b>	<b>\$ 10,275,765</b>	<b>\$ 1,866,878</b>
<b>Net changes in non-cash working capital</b>		
Accounts receivable	\$ (1,663,459)	\$ (1,537,861)
Other assets	(212,532)	(199,642)
Inventory	612,353	33,889
Current liabilities	11,234,632	588,510
	<b>\$ 9,970,994</b>	<b>\$ (1,115,104)</b>

*See Accompanying Notes*

# **Essex Powerlines Corporation**

## **Notes to Financial Statements**

**For the year ended December 31, 2005**

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### **1. Nature of Business**

#### ***Business Operations***

Essex Powerlines Corporation serves as the rate regulated "local distribution company" (LDC) which provides reliable safe power to over 27,000 residents and businesses in Amherstburg, LaSalle, Leamington and Tecumseh.

#### ***General***

The Ontario Government enacted the Energy Competition Act, 1998 to introduce competition to the Ontario electricity market. Under the terms of the legislation, the Ontario Energy Board ("OEB") will regulate industry participants by issuing licenses for the right to generate, transmit distribute or retail electricity. These licenses will require compliance with established market rules and codes.

### **2. Summary of Significant Accounting Policies**

#### ***Basis of Presentation***

The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada for electric utilities.

#### ***Inventory***

Inventories of materials and supplies are valued at the lower of cost and net realizable value, with cost determined on an average cost basis. Inventory decreased in 2005 due to a transfer of distribution materials and supplies to Essex Power Services.

#### ***Property, Plant and Equipment***

Property, plant and equipment is stated at cost less applicable rebates, accumulated amortization and contributions in aid of construction. Amortization is determined on a straight-line basis over the estimated useful lives of the assets.

Transmission and distribution	25 years	Straight-line
Computer hardware and software	5 years	Straight-line

In the year of addition a full year of amortization is claimed. When specifically identifiable items are retired or otherwise disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in income in the year of disposal.

#### ***Contributions in Aid of Construction***

Contributions in aid of construction are non-refundable contributions of property, plant and equipment made by developers or subdividers which become part of the distribution system. They are recorded as a reduction of the related asset values. These amounts will be amortized on the same basis as the related property, plant and equipment.

#### ***Revenue Recognition***

In accordance with OEB regulations, the Corporation recognizes as revenue the regulated distribution tariffs associated with energy distributed.

# **Essex Powerlines Corporation**

## **Notes to Financial Statements**

**For the year ended December 31, 2005**

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### **2. Summary of Significant Accounting Policies (cont'd)**

#### ***Revenue Recognition (cont'd)***

Variances between energy purchase costs and energy billed are recorded as regulatory assets or liabilities for future distribution rate application consideration. The company follows the practice of cycle billing of customers' accounts and revenue is recognized in the period billed. An accrual is made in the accounts at December 31 for power supplied but not billed to customers between the date the meters were last read and the end of the year.

#### ***Income Taxes - Payments in Lieu***

The income taxes are to be calculated in accordance with the rules for computing income, capital and other taxes provided for in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Energy Act and related regulations. After October 1, 2001 the Corporation is required, to compute and remit to the Ontario Electricity Financing Corporation payments in lieu of corporate taxes.

The Corporation follows the taxes payable basis of accounting for income taxes whereby the provision for income taxes represent the estimated amount of taxes that will be assessed for the year. Future income taxes have not been recognized to the extent that they are expected to be included in the approved rate charged to customers in the future and are expected to be recovered from future customers.

#### ***Measurement Uncertainty***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of financial statements. Certain estimates are also required as regulations, which will ultimately determine the actual results, have yet to be finalized and are dependent on the completion of regulatory proceedings or decisions. Due to these uncertainties, actual results might differ from those estimates and the impact will be recorded in the current period when the actual results are known.

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2005

### 3. Property, Plant and Equipment

	2005	2004
<i>Land and land rights</i>	\$ 52,562	\$ 51,825
<i>Transmission and distribution equipment</i>	29,576,804	28,456,254
<i>Computer hardware and software</i>	150,101	86,441
<i>Office furniture and equipment</i>	8,808	-
	29,788,275	28,594,520
<i>Less: Accumulated Amortization</i>	6,920,064	5,647,923
	<u>\$ 22,868,211</u>	<u>\$ 22,946,597</u>

### 4. Regulatory (Assets) Liabilities

Regulatory assets and liabilities are a result of differences between costs charged to Essex Powerlines Corporation and allowed rates charged to customers which are classified as "Retail Settlement Variances". Also included are transition costs, pre-market opening cost of power, deferred payments in lieu and extraordinary event losses. These are referred to as "Non-Retail Settlement Variances". All of these amounts are now being recovered through rates.

	2005	2004
<i>Retail settlement variances</i>	\$ 599,440	\$ 1,136,475
<i>Non retail settlement variances</i>	(2,576,678)	(1,987,766)
<i>Regulatory assets recovered</i>	1,324,865	544,924
	<u>\$ (652,373)</u>	<u>\$ (306,367)</u>

### 5. Customer Deposits

Customer deposits are amounts received and held as security for energy consumption until the customer's account is closed. Interest is to be paid annually at the average yearly savings interest rate.

### 6. Contingencies

The Essex Powerlines Corporation subscribes for liability insurance coverage under a self-insurance pool administered by the Municipal Electric Association Reciprocal Insurance Exchange. Under the terms of this co-operative venture the Corporation as a pool member, in addition to its regular policy premiums, is contingently liable for any retroactive reassessment if a deficit originates in a year in which they are a member. The contingent liability for reassessment in respect of any year in which the Corporation is a pool member continues even where the Utility subsequently withdraws from the self-insurance pool. The Corporation will not, however, be subject to reassessment for claims incurred in years in which they are not members of this self-insurance pool.

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2005

### 6. Contingencies (Cont'd)

A letter of credit in the amount of \$ 2,725,000 has been issued by the TD Bank to the credit of the Independent Electricity Market Operator ("IMO") for the commodity purchases and market services provided. This letter of credit expires April 15, 2006 and is normally renewed annually.

### 7. Long term debt

	2005	2004
<i>Long Term Loan Payable - is repayable as approved by the Board of Directors not to exceed 15% of the principal lending amount if funds are available as determined each July. Interest is payable at a stated interest rate of 7.25%. The debt is owing to the shareholders of the parent company.</i>	\$ 4,751,098	\$ 5,279,294
<i>Promissory Note Payable - Essex Power Corporation - is repayable on demand with a stated interest rate of 0% and no formal repayment terms. It is the intention of the board of directors that this remain a long-term debt.</i>	15,772,796	15,772,796
<i>Banker's Acceptance/Interest Rate Swaps - Toronto Dominion Bank - is a 10 year swap repayable with interest only payments at an interest rate of 5.3%. It is the intention of the board of directors that this remain a long-term debt.</i>	3,000,000	3,000,000
<i>Banker's Acceptance/Interest Rate Swaps - Toronto Dominion Bank - is a 5 year swap repayable with interest only payments at an interest rate of 4.8%. It is the intention of the board of directors that this remain a long term debt.</i>	3,300,000	3,300,000
	26,823,894	27,352,090
<i>Less: Current portion of long term debt</i>	3,591,474	2,960,048
	<b>\$ 23,232,420</b>	<b>\$ 24,392,042</b>

Approximate long term principal repayments over 2 years are as follows:

2006	\$ 3,591,474
2007	\$ 1,159,624

### 8. Capital Stock

	2005	2004
Authorized Unlimited Common shares, Class A voting		
Unlimited Common shares, Class B non-voting		
Issued 50 Common shares, Class A voting	\$ 5	\$ 5

# Essex Powerlines Corporation

## Notes to Financial Statements

For the year ended December 31, 2005

### 9. Related Party Transactions

The Company engages into transactions with its affiliated and parent companies. The following is a summary of the related party transactions. These transactions are measured at exchange amount, which is the amount of consideration established and agreed to by the related parties. Essex Powerlines Corporation is affiliated with Essex Power Services Corporation, Essex Energy Corporation and is the subsidiary of Essex Power Corporation.

	2005	2004
<i>Service fees to affiliate</i>	\$ 7,190,799	\$ 5,615,041
<i>Management fees to parent</i>	875,742	831,794
<i>Amounts owing to (from) affiliates - current</i>	(178,381)	665,184
<i>Amounts owing to affiliates - long term</i>	15,772,796	15,772,796
<i>Accounts payable owing to affiliates</i>	1,400,731	-

### 10. Financial Instruments

Unless otherwise noted, it is management's opinion that the fair values of all financial assets and liabilities are not materially different from their carrying values.

### 11. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.