



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

Keep this portion for your records.

Notice of Reassessment

Electricity Act, 1998 * Corporations Tax Act, R.S.O. 1990
from 2002/01/01 to 2002/12/31

BRANTFORD POWER INC.

Account No.

1800056

Reassessment Date
(year, month, day)

2007/07/05

Page

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REASSESSMENT NO. 120 REPLACING ASSESSMENT DATED: 2003/07/09

Tax: Federal and Provincial PIL
Assessment Interest

Total Reassessment Liability

338,920.00

6,576.66

345,496.66

-170.50
int
reversed

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

323,065.94CR

Small Balance Adjustment

0.56CR

Sub-Total

323,066.50CR

TAXATION YEAR BALANCE DUE **

22,430.16

(6,406.16)

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Per Summary adjustment 10,024.00

Mathematical error in computation of Net Paid-up Capital.

Mathematical error in computation of Taxable Paid-up Capital.

Adjustment to the computation of Capital Tax.

**Remember to include additional interest due with your payment. Interest on
the balance is compounded daily from the date of this Notice/Statement until
payment is received by the Ontario Electricity Financial Corporation (OEFC)
The current interest rate is 0.0246575%.

Handwritten signature: BOL

Tax (Re)Assessment Enquiries:

- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-8708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

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

1 of 2

290,857.23

26,010.76

****Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC). The current interest rate is 0.0246575%.**

[illegible]

2002 PX5005

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Ministry of Revenue
Tax Compliance and Regional
Operations Branch, Central Region
Toronto Tax Office
5 Park Home Avenue
2nd Floor
Toronto ON M2N 6W8

Ministère des Revenu
Direction de l'observation fiscale et des
opérations régionales
Bureau fiscal - Toronto
5 avenue Park Home
2^{ème} étage
Toronto ON M2N 6W8



August 7, 2007

(416) 218-1689

Ms. Glenda Maldonado
Senior Financial Analysis - Utilities
Brantford Power Inc.
84 Market Square
PO Box 308
Brantford, Ontario N3T 5N8

Dear Ms. Maldonado,

Re: Brantford Power Inc. a/c# 1800056
Ontario Tax Audit: Fiscal 2002 to 2004

We have completed our review of the tax returns for the above-noted taxation years.

Attached please find Statements of Adjustments reflecting the changes in your company's tax liability. Notices of Reassessments will be mailed under separate cover for each year being reassessed.

We want to take this opportunity to thank you for the co-operation extended to us during the course of the audit. If further clarification is required, please feel free to contact Mr. Anson Tong of my office at the above-noted telephone number.

Yours truly,

A handwritten signature in black ink, appearing to be "Ian Tso", written over a horizontal line.

Ian Tso
Senior Group Manager
Field Audit Section

Encl.



Ontario

PO Box 622 CP 622
33 King St. West 33 rue King ouest
Oshawa ON L1H 8H6 Oshawa ON L1H 8H6

Statement of Adjustments re Taxes Assessed Relevé des redressements de cotisations

Ministry of Finance
Ministère des Finances

Corporations Tax Branch
Direction de l'imposition des compagnies

		Account No. / N° de compte 1 8 0 0 0 5 6
Name of Corporation / Raison sociale de la compagnie Brantford Power Inc.		Taxation Year End / Fin de l'année d'imposition 31 DECEMBER 2002

INCOME TAX

Ontario and Federal Loss as previously assessed \$ Nil

Ontario Corporate Minimum Tax

As previously assessed \$ 93,877

CAPITAL TAX

Net Paid-Up Capital as previously assessed \$48,668,726

Add:	Goodwill netted to Common Shares	\$1,751,663	
	Loans and Advances understated	2,106,593	
	NBV/UCC deduction overstated	184,297	4,042,553
	Revised Net Paid-Up Capital		\$52,711,279

Subtract: Capital Tax Exemption (Revised) (4,816,524)

Ontario Taxable Capital (Revised) \$47,894,755

Capital Tax thereon @ 0.3% 143,684

Federal Part 1.3 Tax

Capital for the year previously assessed \$51,516,198

Add:	Goodwill netted to Common Shares	1,751,663
	Revised Capital	\$53,267,861

Deduct: Capital Deduction claimed (8,219,352)

Excess of Taxable Capital employed in Canada over Capital Deduction \$45,048,509

Gross Part 1.3 tax @ 0.225% 101,359

TOTAL PAYMENT-IN-LIEU OF TAX PAYABLE **\$338,920**

Anson Tong MRK034

Note: We have not audited the opening balance of asset value adopted for use by this MEU on its 2001 tax return. As such, the valuation of assets may be reviewed and changes made at a subsequent date.

****DESIGNATED ASSESSMENT***

The items marked with an asterisk above are designated parts of this assessment. This description is authorized by section 92 of the Corporations Tax Act, for assessments which correspond to those issued by Revenue Canada under the Income Tax Act (Canada). It is not necessary to serve a Notice of Objection to those portions of the assessment. The Corporation and the Minister will be bound by the final disposition of a federal Notice of Objection or Appeal.

If you wish not to be bound by the disposition of the corresponding federal objection or appeal, you must serve a Notice of Objection on the prescribed form in accordance with section 84. See under "Notice of Objection" on the accompanying "Notice of Re-Assessment"

****COTISATION DESIGNÉE***

Les postes ci-dessus marqués d'un astérisque sont les parties désignées de cette cotisation. Cette description est autorisée en vertu de l'article 92 de la Loi sur l'imposition des corporations, pour les cotisations qui correspondent à celles établies par Revenu Canada en vertu de la Loi de l'impôt sur le revenu (Canada). Il n'est pas nécessaire de signifier un Avis d'opposition pour ces parties des cotisations. La compagnie et le ministre seront liés par la décision finale relative à l'avis fédéral d'opposition ou d'appel.

Si vous désirez ne pas être lié par la décision relative à l'opposition ou à l'appel fédéral correspondant, vous pouvez signifier un avis d'opposition sur la formule prévue à cette fin conformément à l'article 84. Voir "Avis d'opposition" sur l'Avis de nouvelle cotisation ci-joint.



Ontario

Ministry of Finance
Ministère des Finances

PO Box 622 CP 622
33 King St. West 33 rue King ouest
Oshawa ON L1H 8H6 Oshawa ON L1H 8H6

Statement of Adjustments re Taxes Assessed Relevé des redressements de cotisations

Account No. / N° de compte 1 8 0 0 0 5 6	
Name of Corporation / Raison sociale de la compagnie Brantford Power Inc.	Taxation Year End / Fin de l'année d'imposition 31 DECEMBER 2003

INCOME TAX

Ontario and Federal Loss as previously assessed \$ Nil

Ontario Corporate Minimum Tax

As previously assessed \$ 36,796

CAPITAL TAX

Net Paid-Up Capital as previously assessed \$48,062,087

Add: Goodwill netted to Common Shares	\$1,751,663	
Loans and Advances understated	<u>2,859,111</u>	<u>4,610,774</u>
Revised Net Paid-Up Capital		\$52,672,861

Subtract: Capital Tax Exemption (Revised) (4,814,326)

Ontario Taxable Capital (Revised) \$47,858,535

Capital Tax thereon @ 0.3% 143,576

Federal Part 1.3 Tax

Capital for the year previously assessed \$52,348,796

Add: Goodwill netted to Common Shares	\$1,751,663	
Loans and Advances understated	<u>930,373</u>	<u>2,682,036</u>
Revised Capital		\$55,030,832

Deduct: Capital Deduction claimed (8,264,872)

Excess of Taxable Capital employed in Canada over
Capital Deduction \$46,765,960

Gross Part 1.3 tax @ 0.225% 105,223

TOTAL PAYMENT-IN-LIEU OF TAX PAYABLE \$285,595

Anson Tong MRK034

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Ontario

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Statement of Adjustments re Taxes Assessed Relevé des redressements de cotisations

Ministry of Finance
Mistère des Finances

Corporations Tax Branch
Direction de l'imposition des compagnies

Account No. / N° de compte 1 8 0 0 0 5 6	
Name of Corporation / Raison sociale de la compagnie Brantford Power Inc.	Taxation Year End / Fin de l'année d'imposition 31 DECEMBER 2004

INCOME TAX

Ontario and Federal Loss as previously assessed \$ Nil

Ontario Corporate Minimum Tax

As previously assessed \$ 17,147

CAPITAL TAX

Net Paid-Up Capital as previously assessed \$49,271,687

Add: Goodwill netted to Common Shares	\$1,751,663	
Loans and Advances understated	<u>1,461,291</u>	<u>3,212,954</u>
Revised Net Paid-Up Capital		\$52,484,641
Subtract: Capital Tax Exemption (Revised)		(4,805,782)
Ontario Taxable Capital (Revised)		<u>\$47,678,859</u>

Capital Tax thereon @ 0.3%	\$ 143,037	
Subtract: OITC credit as previously assessed	(12,348)	130,689

Federal Part 1.3 Tax

Capital for the year previously assessed	\$52,792,003
Add: Goodwill netted to Common Shares	<u>1,751,664</u>
Revised Capital	\$54,543,667
Deduct: Capital Deduction claimed	(48,227,844)

Excess of Taxable Capital employed in Canada over Capital Deduction	<u>\$ 6,315,823</u>
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Gross Part 1.3 tax @ 0.200%	\$ 12,632
Subtract: ITC credit as previously assessed	(8,890) <u>3,742</u>

TOTAL PAYMENT-IN-LIEU OF TAX PAYABLE

\$151,578

Anson Tong MRK034

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