November 14, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Innisfil Hydro Distribution Systems Limited Application for 2012 Electricity Distribution Rates - EB-2011-0176

Innisfil Hydro Distribution Systems Limited respectfully submits to the Ontario Energy Board (the "Board") its 2012 electricity distribution rate application, in compliance with the Board letter dated August 2, 2011, that directs the company to file its electricity distribution rate application by November 10, 2011.

As outlined in Revision 3.0 of Chapter 3 of the Filing Requirements for Transmission and Distribution Applications issued on June 22, 2011, Innisfil Hydro Distribution Systems has included the following components within its 2012 IRM rate application:

- IHDSL Managers Summary
- Completed Rate Generator and supplementary work forms as required by the Board
- A PDF copy of IHDSL's current Tariff Sheet
- Supporting documentation citied within the IRM application and the Managers Summary
- Statement as to which publications(s) in which IHDSL notice will be appearing including whether or not it is a paid publication or not and the readership and circulation numbers

Further to the Board's RESS filing guidelines, an electronic copy of our IRM3 application will be submitted through the OEB e-Filing Services. We would be pleased to provide any further information or details that you may require relative to this application.

Yours respectfully**,**

Brenda L Pinke
Regulatory/CDM Officer
brendap@innifilhydro.com
(705) 431-6870 Ext 262

.cc Laurie Ann Cooledge, CMA, CPA

Innisfil Hydro Distribution Systems Limited

License – ED-2002-0520

2012 3rd Generation Incentive Rate Mechanism

Electricity Distribution

Rate Distribution

EB-2011-0176

IHDSL Managers Summary EB-2011-0176

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Tab 1 - IHDSL Managers Summary EB-2011-0176

IHDSL Managers Summary EB-2011-0176

Innisfil Hydro Distribution Systems Limited ("IHDSL") is a licensed electricity distributor (ED-2002-0520) that owns and operates electricity distribution systems that provide service to the Town of Innisfil as of January 1, 1994. IHDSL charges its customers distribution rates and other charges as authorized by the Ontario Energy Board ("Board").

IHDSL filed a comprehensive cost of service rebasing application for rates effective May 1, 2009 and had rates approved by the Ontario Energy Board under file number EB-2008-0233. For purposes of this IRM application IHDSL is applying for rates and other charges effective May 1, 2012.

IHDSL has adhered to the Board's directions in completing the Board approved IRM3 rate models and incorporated the necessary adjustment(s). IHDSL's Manager Summary will specifically address the following items:

1. Deferral and Variance Account Riders
    i. Group 1 Accounts
    ii. 1521 MEI Special Purpose Charge
    iii. 1562 Payment in Lieu of Taxes (PILs)
2. Price Cap Adjustment
3. Retail Transmission Service Rates
4. Tax Sharing
5. LRAM Lost Revenue Adjustment Mechanism
6. Summary of Customer Bill Impacts

1. Deferral and Variance Account Riders

1.i Group 1 Accounts

IHDSL has completed the DVA worksheets included in the 2012 Rate Generator model. The receivable balance of ($708,535.00) for the Group 1 accounts identified by the workform has determined that the threshold has been exceeded resulting in a refund to our customers. As a result IHDSL is requesting a Deferral and Variance Account Rider with a requested 2 year disposition.

IHDSL is requesting a 2 year disposition for all Deferral and Variance Riders in 2012 due to the timing of the Smart Meter True Up Filing. It is IHDSL's intention to file the Smart Meter True up by December, 2011, and it is our belief that the 2 year disposition requested for the Group 1 DVA's and the PILs true up will assist with rate mitigation versus a 1 year rider.

1.ii MEI Special Purpose Charge

IHDSL is not requesting disposition of account 1521 within the 2012 IRM filing as the full collection of the Special Purpose Charge had not been completed as of December 31, 2010. Any balance in account 1521 will require disposition in IHDSL's next rate application.

1.iii Payment in Lieu of Taxes (PILs)

Overview

Innisfil Hydro Distribution Systems Ltd (Innisfil Hydro) is filing for final disposition of

the deferred PILs account 1562 conforming to the principles set out in the decision EB-2008-0381. Innisfil Hydro is submitting the revised models using the 2001 updated SIMPIL model as filed by Hydro One Brampton (EB-2010-0132) and the 2002 to 2005 updated SIMPIL models as filed by Halton Hills (EB-2008-0381). Innisfil Hydro is including the following supporting documentation in Tab 2 of this 2012 IRM Application:

- ✓ Appendix 1 – Monthly Continuity Schedule and Carrying Charges
- ✓ Appendix 2 – 2002 Approved RAM Model
- ✓ Appendix 3 – Q4 2001 PILs Filing
- ✓ Appendix 4 – 2002 Approved PILs Model
- ✓ Appendix 5 – 2002 Decision and Order
- ✓ Appendix 6 – 2004 Approved RAM Model
- ✓ Appendix 7 – 2004 Approved PILs Model
- ✓ Appendix 8 – 2004 Decision and Order
- ✓ Appendix 9 – 2005 Approved RAM Model
- ✓ Appendix 10 – 2005 Approved PILs Model
- ✓ Appendix 11 – 2005 Decision and Order
- ✓ Appendix 12 - 2001 SIMPILS True-up Model
- ✓ Appendix 13 - 2002 SIMPILS True-up Model
- ✓ Appendix 14 - 2003 SIMPILS True-up Model
- ✓ Appendix 15 - 2004 SIMPILS True-up Model
- ✓ Appendix 16 - 2005 SIMPILS True-up Model
- ✓ Appendix 17 – 2001 T2, CT23 and Notice of Assessment
- ✓ Appendix 18 – 2002 T2, CT23 and Notice of Assessment
- ✓ Appendix 19 – 2003 T2, CT23 and Notice of Assessment
- ✓ Appendix 20 – 2004 T2, CT23 and Notice of Assessment
- ✓ Appendix 21 – 2005 T2, CT23 and Notice of Assessment
- ✓ Appendix 22 - March 1 2002 to April 30 2006 PILS Recoveries
- ✓ Appendix 23 - Audited Financial Statements Dec 2001
- ✓ Appendix 24 - Audited Financial Statements Dec 2002
- ✓ Appendix 25 - Audited Financial Statements Dec 2003
- ✓ Appendix 26 - Audited Financial Statements Dec 2004
- ✓ Appendix 27 - Audited Financial Statements Dec 2005

Application for Disposition

Innisfil Hydro is applying to refund a credit balance in the amount of $(673,289) as per Appendix 1. The refund includes a principal balance of $(593,071) and carrying charges of $(80,218). Carrying charges are estimated to April 2012.

Allocation to Customer Classes

Innisfil Hydro is utilizing the 2009 COS Revenue Requirement and the final Revenue/Cost ratio adjustment filed in our 2010 IRM filing excel file RCRatio worksheet tab C1.6 Proposed Revenue. A summary of the refund allocation by customer class is provided below:

Customer Class Allocation

Rate Class	2009 Revenue Requirement	Allocation %	Allocated Account 1592 Dispositon Amount
Residential	5,976,816	78.85%	(530,866)
GS<50 kW	550,160	7.26%	(48,866)
GS>50 kW	616,618	8.13%	(54,769)
Sentinel Lights	29,362	0.39%	(2,608)
Street Lights	361,584	4.77%	(32,116)
Unmetered Loads	45,757	0.60%	(4,064)
Total	7,580,297	100.00%	(673,289)

RATE RIDERS

Innisfil Hydro is utilizing 2009 COS billing determinants to calculate the refund rate rider by customer class. Innisfil Hydro is proposing to refund the amounts due over a two (2) year period. Please see the following table for the detailed calculation by customer class:

Rate Rider Calculations

Rate Class	Allocated Account 1592 Dispositon Amount	Refund Period (Years)	Annual Refund Amount	2009 COS Billing Determinants	Billing Metric	Proposed Rate Rider
Residential	(530,866)	2	(265,433)	155,528,870	per kWh	(0.0017)
GS<50 kW	(48,866)	2	(24,433)	31,359,068	per kWh	(0.0008)
GS>50 kW	(54,769)	2	(27,384)	116,345	per kW	(0.2354)
Sentinel Lights	(2,608)	2	(1,304)	344	per kW	(3.7906)
Street Lights	(32,116)	2	(16,058)	4,924	per kW	(3.2612)
Unmetered Loads	(4,064)	2	(2,032)	562,039	per kWh	(0.0036)
Total	(673,289)		(336,645)			

Methodology PILS Proxy

The PILS proxy utilized within the continuity schedule (Appendix 1) are based on the approved PILS proxy amounts included in the approved distribution rates which are summarized in the following table:

Year	Rate Model	PILS Model	Decision	Pils Entitlement Amount	Effective Start Date	Effective End Date	Monthly Amount	Comments
Q4 2001	Appendix 2	Appendix 3	Appendix 5	282,857	Oct 1, 2001	Dec 31, 2001	94,286	Q4 2001 Entitlement / 3 months
2002	Appendix 2	Appendix 4	Appendix 5	880,498	Jan 1, 2002	Dec 31, 2002	73,375	2002 Entitlement / 12 months
2003	Appendix 2	Appendices 3&4	Appendix 5	1,163,355	Jan 1, 2003	Dec 31, 2003	96,946	(Q4 2001 + 2002 Entitlements)/12 months
2004	Appendix 2	Appendix 4	Appendix 5	880,498	Jan 1, 2004	Mar 31, 2004	73,375	2002 Entitlement / 12 months
2004	Appendix 6	Appendix 7	Appendix 8	880,498	Apr 1, 2004	Mar 31, 2005	73,375	2004 Entitlement / 12 months
2005	Appendix 9	Appendix 10	Appendix 11	872,918	Apr 1, 2005	Apr 30, 2006	72,743	2005 Entitlement / 12 months

The appendices listed above provide the backup for the approved PILs rates in the RAM Models, to the PILs model and finally to the Decision orders. The monthly PILs proxy calculations are explained in the comment section of the above table and reconcile to Appendix 1 for the monthly PILs proxy.

PILS Recoveries

The PILs revenue collected in Appendix 1 is based on the applicable month's bill determinants multiplied by the approved PILS rates as provided in Appendix 22. Innisfil Hydro has a 30 day billing cycle and the consumption for the month is billed the following month. We are basing the beginning billing determinants for the PILs recovery period on March 2002 consumption beginning April 1, 2002 and ending May 30, 2006. The following is a detailed explanation of the PILs recoveries by rate year as provided in Appendix 22:

- **2002 Rate Year (April 2002 to March 2004) –** The 2002 fixed and variable PIL recovery rates by customer class are found in Sheet 6 and 8 within Appendix 2 for Q4 2001 and 2002 respectively. These rates are multiplied by the applicable month's billing determinants which results in the calculated PILs revenue by month.
- **2004 Rate Year (April 2004 to March 2005) –** There are no fixed PIL recovery rates in the 2004 rate year. The 2004 variable PIL recovery rates by customer class are found in sheet 7 within Appendix 6. These rates are multiplied by the applicable month's billing determinants which results in the calculated PILs revenue by month.

- **2005 Rate Year (April 2005 to April 2006) -** There are no fixed PIL recovery rates in the 2005 rate year. The 2005 variable PIL recovery rates by customer class are found in sheet 4 within Appendix 9. These rates are multiplied by the applicable month's billing determinants which results in the calculated PILs revenue by month.

SIMPIL True-up Models

Overview

Innisfil Hydro is providing the SIMPILS True-Up Models for the years 2001 to 2005 (Appendices 12 to 16). The true-up values from these models are updated within the Monthly Continuity Schedule (Appendix 1).

Innisfil Hydro utilized a tax loss carry forward generated by a 2001 tax loss on the 2002 tax return. The income tax rates used for true-up purposes are the legislated tax rate for the applicable year. The true-up rates utilized the maximum tax rates for the applicable tax years and are consistent with the approved for use by the Board in the June 24, 2011 EB-2008-0381 decision.

Innisfil Hydro's tax returns have all been assessed with no changes to the filed returns. The federal, provincial and notice of assessments for 2001 to 2005 are included in Appendices 17 to 21. All tax years from 2001 to 2005 are statute barred.
Innisfil Hydro has included regulatory assets adjustments with Schedule 1 of the T2 return as a tax reserve. The regulatory assets adjustments are reflected in the SIMPILS models within the Taxrec3 workbook as a non-true-up adjustment.

Summary of True-Ups

<u>Q4 2001</u>

There were no true ups for Innisfil Hydro in 2001. There is no reconciling items requiring true-up, no changes in tax rates or capital tax exemptions.

<u>2002</u>

The true-up in 2002 is a customer refund in the amount of $166,445. This is due to excess interest deducted on the 2002 tax return.

<u>2003</u>

The total true-up in 2003 is a customer refund in the amount of $185,570. This is due to excess interest deducted on the 2003 tax return and a reduction in tax on regulatory net

income. The tax rate declined from 38.62% (including surtax) to the legislated tax rate of 36.62% (including surtax).

2004

The total true-up in 2004 is a customer refund in the amount of $148,570. This is due to excess interest deducted on the 2003 tax return, a reduction in tax on regulatory net income and elimination of LCT included in approved rates. The tax rate declined from 38.62% (including surtax) to the legislated tax rate of 36.12% (including surtax).

2005

The true-up in 2005 is a customer refund in the amount of $106,204. This is due to excess interest deducted on the 2005 tax return.

2. Price Cap Index

Based on the current price cap parameters, the Rate Generator model reflects a Price Cap Index adjustment of 0.18%. That calculation is based on a price escalator of 1.3%, less a productivity factor of 0.72%, and less a stretch factor of 0.4%. IHDSL understands the model may be adjusted at a later date to reflect an updated price escalator and stretch factor.

3. Retail Transmission Service Rates

IHDSL is charged retail transmission service rates by Hydro One Networks, and in turn has established approved rates to charge customers in order to recover those expenses. The OEB has provided a model to compare the current retail transmission costs and retail transmission revenues to the projected transmission costs. IHDSL has completed the model and included the proposed RTSR-Network and RTSR-Connection rates on sheets 15 and 16 of the Rate Generator Model, respectively.

4. Tax Sharing

For 2012 the Sharing of Tax Savings is calculated as refund of $(85,675.00). As per the Boards direction the calculated Distribution Volumetric Riders have been input to the Rate Generator

Model and IHDSL requests a disposition period of 1 year. The 2012 Tax Sharing Workform is included with this application.

5. LRAM Lost Revenue Adjustment Mechanism

IHDSL is proposing recovery of lost revenue in the amount of $180,250.03. IHDSL submits the documents in support of it claim prepared by Burman Energy Consulting Group Inc. which validates the participation levels, the kW and kWh impact for each program for each class and a calculation of the impact of the CDM programs on distribution revenue. The documents and supporting materials are contained in Tab 3.

The proposed rate rider has been calculated utilizing the 2009 billing determinants for each rate class. IHDSL is proposing a 1 year disposition. The table below indicates the proposed rate rider by impacted rate class:

LRAM Totals

Rate Class	LRAM $
Residential	$146,882.28
General Service Less than 50 kW	$18,234.84
General Service 50 to 999 kW	$15,132.91
	$180,250.03

Proposed LRAM Rate Riders by Class

Total by Rate Class	LRAM $	2009 Forecasted kWh/kW	Per Volumetric
Residential	$146,882.28	155,528,870	0.0009
General Service Less than 50 kW	$18,234.84	31,359,068	0.0006
General Service 50 to 999 kW	$15,132.91	116,345	0.1301

6. Summary of Customer Bill Impacts

The follow table outlines the impacts by customer class for the average customer:

Bill Impact by customer class				
Customer Class	**Current Mthly Total**	**Proposed Mthly Total**	**Proposed Total $ Impact**	**Total % Impact**
Residential - 800 kWh	121.04	114.01	$ (7.03)	-5.8%
GS <50 kW - 2000 kWh	272.75	254.60	$ (18.15)	-6.7%
GS >50 kW - 995000 kWh	115,005.34	111,833.52	$ (3,171.82)	-2.8%
USL - 2000 kWh	320.72	305.13	$ (15.59)	-4.9%
Sentinel Lighting - 180 kV	42.75	41.37	$ (1.38)	-3.2%
Street Lighting - 37 kWh	13.11	12.90	$ (0.21)	-1.6%

IHDSL submits that there are not any customer impacts that require rate mitigation for the proposed 2012 rates.

Conclusion

IHDSL will be providing notice of the May 1, 2012 rates in the Innisfil Examiner which is a paid publication and has an estimated weekly circulation of 13,000.

Tab 2 – PILs Account 1562 Supporting Documentation

Innisfil Hydro Distribution Systems Ltd
1562 Deferred PILs Continuity Schedule

Year:	Q4 2001			Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	SIMPILS True Up Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
October	94,285.67	-		94,285.67	94,285.67	7.25%	-	-	94,285.67
November	94,285.67	-		94,285.67	188,571.33	7.25%	561.84	561.84	189,133.17
December	94,285.67	-		94,285.67	282,857.00	7.25%	1,161.13	1,722.97	284,579.97
Total	282,857.00	-	-	282,857.00			1,722.97		

Year:	2002			Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	SIMPILS True Up Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	73,374.83	-		73,374.83	356,231.83	7.25%	1,741.70	3,464.68	359,696.51
February	73,374.83	-		73,374.83	429,606.67	7.25%	1,981.23	5,445.91	435,052.58
March	73,374.83	-		73,374.83	502,981.50	7.25%	2,645.32	8,091.23	511,072.73
April	73,374.83	(97,279.41)		(23,904.58)	479,076.92	7.25%	2,997.22	11,088.45	490,165.37
May	73,374.83	(93,362.98)		(19,988.15)	459,088.77	7.25%	2,949.93	14,038.38	473,127.15
June	73,374.83	(93,930.47)		(20,555.63)	438,533.14	7.25%	2,735.67	16,774.04	455,307.18
July	73,374.83	(94,108.10)		(20,733.27)	417,799.87	7.25%	2,700.28	19,474.33	437,274.20
August	73,374.83	(96,733.87)		(23,359.04)	394,440.83	7.25%	2,572.62	22,046.94	416,487.78
September	73,374.83	(97,972.26)		(24,597.42)	369,843.41	7.25%	2,350.44	24,397.38	394,240.79
October	73,374.83	(93,275.04)		(19,900.20)	349,943.20	7.25%	2,277.32	26,674.70	376,617.91
November	73,374.83	(95,848.03)		(22,473.20)	327,470.00	7.25%	2,085.28	28,759.98	356,229.99
December	73,374.83	(99,651.26)		(26,276.42)	301,193.58	7.25%	2,016.41	30,776.39	331,969.97
Total	880,498.00	(862,161.42)	-	18,336.58			29,053.42		

Year:	2003			Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	SIMPILS True Up Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	96,946.25	(107,405.87)		(10,459.62)	290,733.96	7.25%	1,854.61	32,631.00	323,364.96
February	96,946.25	(112,436.14)		(15,489.89)	275,244.07	7.25%	1,616.96	34,247.96	309,492.03
March	96,946.25	(110,071.82)		(13,125.57)	262,118.50	7.25%	1,694.82	35,942.78	298,061.28
April	96,946.25	(103,539.65)		(6,593.40)	255,525.10	7.25%	1,561.94	37,504.72	293,029.82
May	96,946.25	(98,652.34)		(1,706.09)	253,819.02	7.25%	1,573.40	39,078.13	292,897.14
June	96,946.25	(94,338.35)	(166,445.00)	(163,837.10)	89,981.91	7.25%	1,512.48	40,590.61	130,572.52
July	96,946.25	(94,318.29)		2,627.96	92,609.88	7.25%	554.07	41,144.68	133,754.55
August	96,946.25	(98,397.23)		(1,450.98)	91,158.90	7.25%	570.25	41,714.92	132,873.82
September	96,946.25	(98,362.37)		(1,416.12)	89,742.78	7.25%	543.21	42,258.13	132,000.91
October	96,946.25	(94,181.16)		2,765.09	92,507.87	7.25%	552.59	42,810.73	135,318.59
November	96,946.25	(97,309.05)		(362.80)	92,145.07	7.25%	551.25	43,361.97	135,507.04
December	96,946.25	(99,958.81)		(3,012.56)	89,132.51	7.25%	567.39	43,929.36	133,061.87
Total	1,163,355.00	(1,208,971.07)	(166,445.00)	(212,061.07)			13,152.97		

Year:	2004			Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	SIMPILS True Up Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	96,946.25	(106,999.16)		(10,052.91)	79,079.61	7.25%	547.34	44,476.69	123,556.30
February	96,946.25	(118,098.68)		(21,152.43)	57,927.17	7.25%	454.28	44,930.97	102,858.14
March	96,946.25	(110,140.57)		(13,194.32)	44,732.85	7.25%	355.71	45,286.68	90,019.53
April	73,374.83	(80,717.22)		(7,342.39)	37,390.46	7.25%	265.83	45,552.51	82,942.97
May	73,374.83	(75,503.85)		(2,129.01)	35,261.45	7.25%	229.60	45,782.12	81,043.56
June	73,374.83	(67,086.64)	(185,570.00)	(179,281.80)	(144,020.36)	7.25%	209.55	45,991.66	(98,028.70)
July	73,374.83	(64,427.36)		8,947.47	(135,072.89)	7.25%	(884.39)	45,107.28	(89,965.61)
August	73,374.83	(72,572.30)		802.54	(134,270.35)	7.25%	(829.44)	44,277.83	(89,992.52)
September	73,374.83	(80,670.36)		(7,295.53)	(141,565.88)	7.25%	(797.92)	43,479.92	(98,085.96)
October	73,374.83	(67,742.64)		5,632.19	(135,933.69)	7.25%	(869.32)	42,610.60	(93,323.09)
November	73,374.83	(75,411.96)		(2,037.13)	(137,970.82)	7.25%	(807.80)	41,802.80	(96,168.02)
December	73,374.83	(72,758.78)		616.05	(137,354.76)	7.25%	(847.24)	40,955.56	(96,399.20)
Total	951,212.25	(992,129.52)	(185,570.00)	(226,487.27)			(2,973.80)		

Year:	2005		SIMPILS True Up	Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	73,374.83	(106,332.11)		(32,957.28)	(170,312.04)	7.25%	(845.77)	40,109.79	(130,202.25)
February	73,374.83	(111,935.11)		(38,560.28)	(208,872.32)	7.25%	(947.21)	39,162.58	(169,709.75)
March	73,374.83	(100,660.29)		(27,285.45)	(236,157.78)	7.25%	(1,286.14)	37,876.44	(198,281.34)
April	72,743.17	(84,771.43)		(12,028.26)	(248,186.04)	7.25%	(1,407.24)	36,469.20	(211,716.84)
May	72,743.17	(74,423.15)		(1,679.98)	(249,866.02)	7.25%	(1,528.21)	34,940.98	(214,925.03)
June	72,743.17	(61,505.99)	(148,570.00)	(137,332.83)	(387,198.84)	7.25%	(1,488.93)	33,452.06	(353,746.79)
July	72,743.17	(69,297.83)		3,445.34	(383,753.51)	7.25%	(2,384.19)	31,067.87	(352,685.64)
August	72,743.17	(79,433.83)		(6,690.66)	(390,444.17)	7.25%	(2,362.98)	28,704.89	(361,739.28)
September	72,743.17	(70,007.71)		2,735.46	(387,708.71)	7.25%	(2,326.62)	26,378.27	(361,330.44)
October	72,743.17	(61,479.68)		11,263.49	(376,445.23)	7.25%	(2,387.33)	23,990.94	(352,454.29)
November	72,743.17	(59,051.07)		13,692.10	(362,753.13)	7.25%	(2,243.20)	21,747.74	(341,005.39)
December	72,743.17	(70,046.90)		2,696.27	(360,056.86)	7.25%	(2,233.66)	19,514.07	(340,542.79)
Total	874,813.00	(948,945.10)	(148,570.00)	(222,702.10)			(21,441.48)		

Year:	2006		SIMPILS True Up	Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	72,743.17	(93,019.92)		(20,276.75)	(380,333.61)	7.25%	(2,217.06)	17,297.01	(363,036.60)
February	72,743.17	(90,987.34)		(18,244.17)	(398,577.78)	7.25%	(2,115.28)	15,181.73	(383,396.05)
March	72,743.17	(89,324.34)		(16,581.17)	(415,158.95)	7.25%	(2,454.26)	12,727.48	(402,431.48)
April	72,743.17	(77,597.60)		(4,854.43)	(420,013.38)	4.14%	(1,412.68)	11,314.80	(408,698.58)
May	-	(66,853.98)		(66,853.98)	(486,867.36)	4.14%	(1,476.84)	9,837.96	(477,029.40)
June	-	-	(106,204.00)	(106,204.00)	(593,071.36)	4.14%	(1,656.68)	8,181.28	(584,890.09)
July	-	-		-	(593,071.36)	4.59%	(2,312.00)	5,869.28	(587,202.09)
August	-	-		-	(593,071.36)	4.59%	(2,312.00)	3,557.27	(589,514.09)
September	-	-		-	(593,071.36)	4.59%	(2,237.42)	1,319.85	(591,751.52)
October	-	-		-	(593,071.36)	4.59%	(2,312.00)	(992.15)	(594,063.52)
November	-	-		-	(593,071.36)	4.59%	(2,237.42)	(3,229.58)	(596,300.94)
December	-	-		-	(593,071.36)	4.59%	(2,312.00)	(5,541.58)	(598,612.94)
Total	290,972.67	(417,783.17)	(106,204.00)	(233,014.50)			(25,055.65)		

Year:	2007		SIMPILS True Up	Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	-	-		-	(593,071.36)	4.59%	(2,312.00)	(7,853.58)	(600,924.95)
February	-	-		-	(593,071.36)	4.59%	(2,088.26)	(9,941.84)	(603,013.21)
March	-	-		-	(593,071.36)	4.59%	(2,312.00)	(12,253.85)	(605,325.21)
April	-	-		-	(593,071.36)	4.59%	(2,237.42)	(14,491.27)	(607,562.64)
May	-	-		-	(593,071.36)	4.59%	(2,312.00)	(16,803.27)	(609,874.64)
June	-	-		-	(593,071.36)	4.59%	(2,237.42)	(19,040.70)	(612,112.06)
July	-	-		-	(593,071.36)	4.59%	(2,312.00)	(21,352.70)	(614,424.06)
August	-	-		-	(593,071.36)	4.59%	(2,312.00)	(23,664.70)	(616,736.07)
September	-	-		-	(593,071.36)	4.59%	(2,237.42)	(25,902.13)	(618,973.49)
October	-	-		-	(593,071.36)	5.14%	(2,589.04)	(28,491.17)	(621,562.53)
November	-	-		-	(593,071.36)	5.14%	(2,505.52)	(30,996.69)	(624,068.06)
December	-	-		-	(593,071.36)	5.14%	(2,589.04)	(33,585.73)	(626,657.10)
Total	-	-	-	-			(28,044.15)		

Year:	2008		SIMPILS True Up	Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	-	-		-	(593,071.36)	5.14%	(2,581.97)	(36,167.70)	(629,239.06)
February	-	-		-	(593,071.36)	5.14%	(2,415.39)	(38,583.09)	(631,654.45)
March	-	-		-	(593,071.36)	5.14%	(2,581.97)	(41,165.05)	(634,236.42)
April	-	-		-	(593,071.36)	4.08%	(1,983.39)	(43,148.44)	(636,219.80)
May	-	-		-	(593,071.36)	4.08%	(2,049.50)	(45,197.94)	(638,269.30)
June	-	-		-	(593,071.36)	4.08%	(1,983.39)	(47,181.33)	(640,252.69)
July	-	-		-	(593,071.36)	3.35%	(1,682.80)	(48,864.12)	(641,935.49)
August	-	-		-	(593,071.36)	3.35%	(1,682.80)	(50,546.92)	(643,618.29)
September	-	-		-	(593,071.36)	3.35%	(1,628.52)	(52,175.44)	(645,246.80)
October	-	-		-	(593,071.36)	3.35%	(1,682.80)	(53,858.24)	(646,929.60)
November	-	-		-	(593,071.36)	3.35%	(1,628.52)	(55,486.75)	(648,558.12)
December	-	-		-	(593,071.36)	3.35%	(1,682.80)	(57,169.55)	(650,240.92)
Total	-	-	-	-			(23,583.82)		

Year:	2009		SIMPILS True Up	Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	-	-		-	(593,071.36)	2.45%	(1,234.08)	(58,403.63)	(651,475.00)
February	-	-		-	(593,071.36)	2.45%	(1,114.65)	(59,518.28)	(652,589.64)
March	-	-		-	(593,071.36)	2.45%	(1,234.08)	(60,752.36)	(653,823.72)
April	-	-		-	(593,071.36)	1.00%	(487.46)	(61,239.81)	(654,311.18)
May	-	-		-	(593,071.36)	1.00%	(503.70)	(61,743.52)	(654,814.88)
June	-	-		-	(593,071.36)	1.00%	(487.46)	(62,230.97)	(655,302.34)
July	-	-		-	(593,071.36)	0.55%	(277.04)	(62,508.01)	(655,579.37)
August	-	-		-	(593,071.36)	0.55%	(277.04)	(62,785.05)	(655,856.41)
September	-	-		-	(593,071.36)	0.55%	(268.10)	(63,053.15)	(656,124.51)
October	-	-		-	(593,071.36)	0.55%	(277.04)	(63,330.18)	(656,401.55)
November	-	-		-	(593,071.36)	0.55%	(268.10)	(63,598.29)	(656,669.65)
December	-	-		-	(593,071.36)	0.55%	(277.04)	(63,875.32)	(656,946.69)
Total	-	-	-	-			(6,705.77)		

Year:	2010		SIMPILS True Up	Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	-	-		-	(593,071.36)	0.55%	(277.04)	(64,152.36)	(657,223.73)
February	-	-		-	(593,071.36)	0.55%	(250.23)	(64,402.59)	(657,473.95)
March	-	-		-	(593,071.36)	0.55%	(277.04)	(64,679.63)	(657,750.99)
April	-	-		-	(593,071.36)	0.55%	(268.10)	(64,947.73)	(658,019.09)
May	-	-		-	(593,071.36)	0.55%	(277.04)	(65,224.76)	(658,296.13)
June	-	-		-	(593,071.36)	0.55%	(268.10)	(65,492.86)	(658,564.23)
July	-	-		-	(593,071.36)	0.89%	(448.30)	(65,941.16)	(659,012.53)
August	-	-		-	(593,071.36)	0.89%	(448.30)	(66,389.46)	(659,460.82)
September	-	-		-	(593,071.36)	0.89%	(433.84)	(66,823.29)	(659,894.66)
October	-	-		-	(593,071.36)	1.20%	(604.45)	(67,427.74)	(660,499.10)
November	-	-		-	(593,071.36)	1.20%	(584.95)	(68,012.69)	(661,084.05)
December	-	-		-	(593,071.36)	1.20%	(604.45)	(68,617.13)	(661,688.50)
Total	-	-	-	-			(4,741.81)		

Year:	2011		SIMPILS True Up	Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	-	-		-	(593,071.36)	1.47%	(740.45)	(69,357.58)	(662,428.94)
February	-	-		-	(593,071.36)	1.47%	(668.79)	(70,026.37)	(663,097.73)
March	-	-		-	(593,071.36)	1.47%	(740.45)	(70,766.81)	(663,838.18)
April	-	-		-	(593,071.36)	1.47%	(716.56)	(71,483.37)	(664,554.74)
May	-	-		-	(593,071.36)	1.47%	(740.45)	(72,223.82)	(665,295.18)
June	-	-		-	(593,071.36)	1.47%	(716.56)	(72,940.38)	(666,011.74)
July	-	-		-	(593,071.36)	1.47%	(740.45)	(73,680.82)	(666,752.19)
August	-	-		-	(593,071.36)	1.47%	(740.45)	(74,421.27)	(667,492.63)
September	-	-		-	(593,071.36)	1.47%	(716.56)	(75,137.83)	(668,209.19)
October	-	-		-	(593,071.36)	1.47%	(740.45)	(75,878.27)	(668,949.64)
November	-	-		-	(593,071.36)	1.47%	(716.56)	(76,594.84)	(669,666.20)
December	-	-		-	(593,071.36)	1.47%	(740.45)	(77,335.28)	(670,406.65)
Total	-	-	-	-			(8,718.15)		

Year:	2012		SIMPILS True Up	Variance (neg = payable)		Interest Improvement (neg = payable)			
	Approved PILs Proxy	PILs Revenue (neg = CR)	Adjustments (neg=CR)	Monthly	Cumulative	Approved Interest Rate	Monthly	Cumulative	Total Variance
January	-	-		-	(593,071.36)	1.47%	(738.42)	(78,073.70)	(671,145.07)
February	-	-		-	(593,071.36)	1.47%	(690.78)	(78,764.49)	(671,835.85)
March	-	-		-	(593,071.36)	1.47%	(738.42)	(79,502.91)	(672,574.27)
April	-	-		-	(593,071.36)	1.47%	(714.60)	(80,217.51)	(673,288.88)
May									
June									
July									
August									
September									
October									
November									
December									
Total	-	-	-	-			(2,882.23)		
Grand Totals	**4,443,707.92**	**(4,429,990.28)**	**(606,789.00)**	**(593,071.36)**			**(80,217.51)**		**(673,288.88)**

Schedule of Rates and Charges

[redacted]

Innisfil Hydro Distribution Syste

Effective March 1, 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 inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thansgiving Day, Christmas Day and Boxing Day.
Off Peak: All Other Hours.

RESIDENTIAL

Monthly Service Charge
Distribution Volumetric Rate
Cost of Power Rate

RESIDENTIAL (Time of Use)

Monthly Service Charge
Distribution Volumetric Rate
Cost of Power - Winter Peak
Cost of Power - Winter Off Peak
Cost of Power - Summer Peak
Cost of Power - Summer Off Peak

GENERAL SERVICE < 50 KW

Monthly Service Charge
Distribution Volumetric Rate
Cost of Power Rate

GENERAL SERVICE < 50 KW (Time of Use)

Monthly Service Charge
Distribution Volumetric Rate
Cost of Power - Winter Peak
Cost of Power - Winter Off Peak
Cost of Power - Summer Peak
Cost of Power - Summer Off Peak

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge
Distribution Volumetric Rate
Cost of Power Demand Rate
Cost of Power Energy Rate

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge
Distribution Volumetric Rate

Cost of Power - Winter Peak

Cost of Power - Summer Peak

Cost of Power - Winter Peak
Cost of Power - Winter Off Peak
Cost of Power - Summer Peak
Cost of Power - Summer Off Peak

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge
Distribution Volumetric Rate

Cost of Power - Winter Peak
Cost of Power - Summer Peak

Cost of Power - Winter Peak
Cost of Power - Winter Off Peak
Cost of Power - Summer Peak
Cost of Power - Summer Off Peak

LARGE USE

Monthly Service Charge
Distribution Volumetric Rate

Cost of Power - Winter Peak
Cost of Power - Summer Peak

Cost of Power - Winter Peak
Cost of Power - Winter Off Peak
Cost of Power - Summer Peak
Cost of Power - Summer Off Peak

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge
Distribution Volumetric Rate
Cost of Power Demand Rate

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge
Distribution Volumetric Rate
Cost of Power - Winter
Cost of Power - Summer

STREET LIGHTING (Non Time of Use)

Monthly Service Charge
Distribution Volumetric Rate
Cost of Power Demand Rate

STREET LIGHTING (Time of Use)

Monthly Service Charge
Distribution Volumetric Rate
Cost of Power - Winter
Cost of Power - Summer

MISCELLANEOUS CHARGES

ADD 2002 OEB APPROVED MISCELLANEOUS CHARGES HERE

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	$	24.00
Change of Occupancy	$	-
Account History		
Administration Fee	$	-
Current Year Data	$	-
Each Additional Year Data	$	-
Arrear's Certificate	$	15.00
Arrear's Certificate	$	42.00
Dispute Involvement Charge	$	20.00
Late Payment		1.50%
Returned Cheque	$	12.50
Collection of Account Charge	$	12.50
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours	$	36.00
At Meter - After Hours	$	145.00
Temporary Pole Service - Overhead	$	300.00
Temporary Pole Service - Underground	$	250.00
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	$	-

ms Limited

RP-2002-xxxx
EB-2002-xxxx

(per month)	$20.03
(per kWh)	$0.0089
(per kWh)	$0.0761
(per month)	$20.03
(per kWh)	$0.0089
(per kWh)	$0.1252
(per kWh)	$0.0427
(per kWh)	$0.0986
(per kWh)	$0.0316
(per month)	$39.06
(per kWh)	$0.0066
(per kWh)	$0.0750
(per month)	$39.06
(per kWh)	$0.0066
(per kWh)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000
(per month)	$380.02
(per kW)	$1.8975
(per kW)	$5.8571
(per kWh)	$0.0523
(per month)	#DIV/0!
(per kW)	#DIV/0!
(per kW)	$0.0000

(per kW)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000

(per month)	#DIV/0!
(per kW)	#DIV/0!
(per kW)	$0.0000
(per kW)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000

(per month)	#DIV/0!
(per kW)	#DIV/0!
(per kW)	$0.0000
(per kW)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000
(per kWh)	$0.0000

(per month)	$1.32
(per kW)	$4.2300
(per kW)	$23.3417

(per month)	$0.35
(per kW)	$0.7611
(per kW)	$0.0000
(per kW)	$0.0000

Schedule of Rates and Charges

(per month)	$0.73
(per kW)	$3.0805
(per kW)	$23.3305

(per month)	$0.23
(per kW)	$0.7092
(per kW)	$0.0000
(per kW)	$0.0000

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	**2001 Q4**		$	#	$		$	#	$		$	#
6												
7	Utility Name: Innisfil Hydro Distribution Systems Limited										Column	
8	Reporting period: December 31, 2001										Brought	
9											Forward	
10											From	
11											TAXREC	
12	**I) CORPORATE INCOME TAXES**											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1		1A	336,033		336,033	1B	-479,588		-143,555	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	*Additions: To Accounting Income*											
20	Depreciation & Amortization	2		2A	305,541		305,541	2B	42,461		348,001	2C
21	Federal Large Corporation Tax	3		3A	0			3B	0		0	3C
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	0			4B	0		0	4C
23	Change in Tax Reserves	5		5A	0			5B	0		0	5C
24	Regulatory Adjustments	6		6A	0			6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0			7B	195,681		195,681	7C
27	"Material" Item #2	7		7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	18,461		18,461	7C
29	*Deductions: From Accounting Income*											
30	Capital Cost Allowance	8		8A	-98,005		-98,005	8B	-201,226		-299,231	8C
31	Employee Benefit Plans - Paid Amounts	9		9A	0			9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
33	Regulatory Adjustments	11		11A	0			11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12		12A	-142,221		-142,221	12B	-102,367		-244,588	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13		13A	0			13B	-195,681		-195,681	13C
37	"Material" Item #2	13		13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0			13B	-36,953		-36,953	13C
39												
40	REGULATORY TAXABLE INCOME		0		401,347		401,347		-759,212		-357,865	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	38.6200%	14A	2.0000%		40.6200%	14B	-40.6200%		0.0000%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		0		163,027		163,027		-163,027		0	
48												
49	Miscellaneous Tax Credits	15		15A	0			15B	0			15C
50												
51	**Total Regulatory Income Tax**		0		163,027		163,027		-163,027		0	
52												
53												
54												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	**2001 Q4**		$	#	$		$	#	$		$	#
55												
56	**II) CAPITAL TAXES**											
57												
58	*Ontario*											
59	Base	16		16A	20,162,592		20,162,592	16B	2,252,132		22,414,724	16C
60	Less: Exemption	17		17A	-5,000,000		-5,000,000	17B	115,744		-4,884,256	17C
61	Deemed Taxable Capital		0		15,162,592		15,162,592		2,367,876		17,530,468	
62												
63	Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B	0.0000%		0.3000%	18C
64							25%				25.21%	
65	Net Amount (Taxable Capital x Rate)		0		11,372		11,372		1,884		13,256	
66												
67	*Federal (LCT)*											
68	Base	19		19A	20,162,592		20,162,592	19B	2,174,532		22,337,124	19C
69	Less: Exemption	20		20A	-10,000,000		-10,000,000	20B	24,279		-9,975,721	20C
70	Deemed Taxable Capital		0		10,162,592		10,162,592		2,198,811		12,361,403	
71												
72	Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B	0.0000%		0.2250%	21C
73							25%				25.21%	
74	Gross Amount (Taxable Capital x Rate)		0		5,716		5,716		1,294		7,010	
75	Less: Federal Surtax	22	0	22A	-4,495		-4,495	22B	4,495		0	22C
76												
77	Net LCT		0		1,221		1,221		5,789		7,010	
78												
79												
80	**III) INCLUSION IN RATES MARCH 2002**											
81												
82	IncomeTax (grossed-up)	23	0	23A	269,467		269,467	23B	-269,467		0	n/a
83	LCT (grossed-up)	24	0	24A	2,019		2,019	24B	9,403		11,421	n/a
84	Ontario Capital Tax	25	0	25A	11,372		11,372	25B	1,884		13,256	n/a
85												
86												
87	***Total S. 93 PILs Rate Adjustment***		0		282,857		282,857		-258,180		24,677	
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	**2001 Q4**		$	#	$		$	#	$		$	#
91												
92	***IV) FUTURE TRUE-UPS (post June 2002)***								**DR / (CR)**			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							0	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							195,681	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							0	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							-60,363	True-up-See Below		
109	Other deductions "Material" Item #1	13							-195,681	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	**Deferral Account Entry (Positive Entry=Debit)**								-60,363	True-up		
115												
116												
117	**V) INTEREST PORTION OF TRUE-UP**											
118												
119	**Variance Caused By Phase-in of Deemed Debt**											
120												
121	Total deemed interest (REGINFO CELL D49)								-184,225			
122	Interest phased-in - (Deferral Account Cell G34)								142,221			
123												
124	Variance due to phase-in of debt stucture								-42,004			
125	according to Rate Handbook											
126												
127	**Other Interest Variances (ie Borrowing Levels**											
128	**Above Deemed Debt per Rate Handbook)**											
129												
130	Interest deducted on MoF filing (Cell K34)								-244,588			
131	Total deemed interest (REGINFO CELL D49)								184,225			
132												
133	Variance caused by excess debt								-60,363			
134												
135	**Interest Adjustment for Tax Purposes Cell I108**								-60,363	True-up Amount- Used above		
136												
137	**Total Interest Variance (Cell I34)**								-102,367			
138												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**ITEM**	**Initial**						M of F	M of F	**M of F**	
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**						Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											**Version 02.01**	
6			$						$		$	
7	**Utility Name: Innisfil Hydro Distribution Systems Limited**											
8	**Reporting period: January 1, 2002 - December 31, 2002**										**Column**	
9	**Days in reporting period:**	365	days								**Brought**	
10	**Total days in the calendar year:**	365	days								**From**	
11											**TAXREC**	
12												
13												
14	**I) CORPORATE INCOME TAXES**											
15	Regulatory Net Income	1	1,535,529						-126,302		1,409,227	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	***Additions:***											
20	Depreciation & Amortization	2	1,222,162						218,550		1,440,712	
21	Employee Benefit Plans - Accrued, Not Paid	3	0						0		0	
22	Tax reserves deducted in prior year	4	0						12,700		12,700	
23	Reserves from financial statements-end of year	4	0						0		0	
24	Regulatory Adjustments	5							0		0	
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Items from "TAXREC" worksheet	6	0						0		0	
27	Other Additions (not "Material") "TAXREC"	6	0						1,000		1,000	
28	"Material Items from "TAXREC 2" worksheet	6	0						498,043		498,043	
29	Other Additions (not "Material") "TAXREC 2"	6	0						0		0	
30												
31	***Deductions:***											
32	Capital Cost Allowance and CEC	7	777,095						601,887		1,378,982	
33	Employee Benefit Plans - Paid Amounts	8	0						0		0	
34	Items Capitalized for Regulatory Purposes	9	0						0		0	
35	Regulatory Adjustments	10	0						0		0	
36	Interest Expense Deemed/ Incurred	11	649,888						321,196		971,084	
37	Tax reserves claimed in current year	4	0						43,357		43,357	
38	Reserves from F/S beginning of year	4	0						0		0	
39	Contributions to deferred income plans	3	0						0		0	
40	Contributions to pension plans	3	0						0		0	
41	Interest capitalized for accounting but deducted for tax	11	0						0		0	
42	Other Deductions (See Tab entitled "TAXREC")											
43	"Material" Items from "TAXREC" worksheet	12	0						0		0	
44	Other Deductions (not "Material") "TAXREC"	12	0						0		0	
45	Material Items from "TAXREC 2" worksheet	12	0						502,071		502,071	
46	Other Deductions (not "Material") "TAXREC 2"	12	0						0		0	
47												
48	REGULATORY TAXABLE INCOME/ (LOSSES)		1,330,708						2,072,502		466,188	
49												
50	CORPORATE INCOME TAX RATE											
51	Deemed %	13	38.62%						0.0000%		38.62%	
52												
53	REGULATORY INCOME TAX		513,919						-333,878		180,042	
54	Taxable Income x Rate											
55												
56	Miscellaneous Tax Credits	14	0						0		0	
57												
58	**Total Regulatory Income Tax**		513,919						-333,878		180,042	
59												
60	**To determine the exemptions for capital tax and large corporations tax:**											
61	**Please identify the percentage used in the allocation of the exemption in cell C61. Please explain the basis of the allocation if the percentage is other than 100%.**		100%									
62												
63	**II) CAPITAL TAXES**											
64												
65	*Ontario*											
66	Base	15	20,162,592						2,682,021		22,844,613	
67	Less: Exemption	16	5,000,000						-47,465		4,952,535	
68	Deemed Taxable Capital		15,162,592						2,634,556		17,892,078	
69												
70	Rate (.3%)	17	0.3000%						0.0000%		0.3000%	
71												
72	Net Amount (Taxable Capital x Rate)		45,488						8,188		53,676	
73												
74	*Federal (LCT)*											
75	Base	18	20,162,592						2,383,104		22,545,696	
76	Less: Exemption	19	10,000,000						0		10,000,000	
77	Deemed Taxable Capital		10,162,592						2,383,104		12,545,696	
78												
79	Rate (.225%)	20	0.2250%						0.0000%		0.2250%	
80												
81	Gross Amount (Taxable Capital x Rate)		22,866						5,362		28,228	
82	Less: Federal Surtax	21	14,904						-9,683		5,221	
83												
84	Net LCT		7,962						-4,321		23,007	
85												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**ITEM**	**Initial**						M of F	M of F	**M of F**	
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**						Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											**Version 02.01**	
6			$						$		$	
86	**III) INCLUSION IN RATES**											
87												
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%									
89												
90	Income Tax (grossed-up)	22	822,271									
91	LCT (grossed-up)	23	12,739									
92	Ontario Capital Tax	24	45,488									
93												
94												
95	***Total S. 93 PILs Rate Adjustment***	25	880,498									
96												
97												
98												
99	***IV) FUTURE TRUE-UPS (post June 2002)***											
100	**IV a) Calculation of the True-up Variance**								**DR/(CR)**			
101												
102	Employee Benefit Plans - Accrued, Not Paid	3							0			
103	Tax reserves deducted in prior year	4							12,700			
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							498,043			
108												
109	Employee Benefit Plans - Paid Amounts	8							0			
110	Items Capitalized for Regulatory Purposes	9							0			
111	Regulatory Adjustments	10							0			
112	Interest Adjustment for tax purposes **(See Below - cell I206)**	11							240,190			
113	Tax reserves claimed in current year	4							43,357			
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							502,071			
119												
120	Total TRUE-UPS before tax effect	26						=	-274,875			
121												
122	Income Tax Rate (excluding surtax)							x	37.50%			
123												
124	Income Tax Effect on True-up adjustments							=	-103,078			
125												
126	Less: Miscellaneous Tax Credits	14							0			
127												
128	Total Income Tax on True-ups								-103,078			
129												
130	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
131												
132	**TRUE-UP VARIANCE**								(164,925)			
133												
134	**IV b) Calculation of the Deferral Account Variance**											
135												
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	1,330,708			
137												
138	REVISED CORPORATE INCOME TAX RATE							x	38.62%			
139												
140	REVISED REGULATORY INCOME TAX							=	513,919			
141												
142	Less: Revised Miscellaneous Tax Credits							-	0			
143												
144	Total Revised Regulatory Income Tax							=	513,919			
145												
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)							-	513,919			
147												
148	Regulatory Income Tax Variance							=	0			
149												
150	Ontario Capital Tax											
151	Base							=	20,162,592			
152	Less: Exemption							-	5,000,000			
153	Revised deemed taxable capital							=	15,162,592			
154												
155	Rate (as a result of legislative changes)							x	0.3000%			
156												
157	Revised Ontario Capital Tax							=	45,488			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)							-	45,488			
159	Regulatory Ontario Capital Tax Variance							=	0			
160												
161	Federal LCT											
162	Base								20,162,592			
163	Less: Exemption							-	10,000,000			
164	Revised Federal LCT							=	10,162,592			
165												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**ITEM**	**Initial**						M of F	M of F	**M of F**	
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**						Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5											**Version 02.01**	
6			$						$		$	
166	Rate (as a result of legislative changes)								0.2250%			
167												
168	Gross Amount								22,866			
169	Less: Federal surtax							-	14,904			
170	Revised Net LCT							=	7,962			
171												
172	Less: Federal LCT reported in the initial estimate column (Cell C84)							-	7,962			
173	Regulatory Federal LCT Variance							=	0			
174												
175	Income Tax Rate used for gross-up (exclude surtax)								37.50%			
176												
177	Income Tax (grossed-up)							+	0			
178	LCT (grossed-up)							+	0			
179	Ontario Capital Tax							+	0			
180												
181	**DEFERRAL ACCOUNT VARIANCE**							=	0			
182												
183	**TRUE-UP VARIANCE (from cell I132)**							+	(164,925)			
184												
185	**Deferral Account Entry (Positive Entry = Debit)**							=	(164,925)			
186	*(Deferral Account Variance + True-up Variance)*											
187	*To be included as deferral account in rate application)*											
188												
189												
190	**V) INTEREST PORTION OF TRUE-UP**											
191	**Variance Caused By Phase-in of Deemed Debt**											
192												
193	Total deemed interest (REGINFO)								730,894			
194	Interest phased-in (Cell C36)								649,888			
195												
196	Variance due to phase-in of debt structure								81,006			
197	according to Rate Handbook											
198												
199	**Other Interest Variances (i.e. Borrowing Levels**											
200	**Above Deemed Debt per Rate Handbook)**											
201	Interest deducted on MoF filing (Cell K36+K41)								971,084			
202	Total deemed interest (REGINFO CELL D57)								730,894			
203												
204	Variance caused by excess debt								240,190			
205												
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I112)**								240,190			
207												
208	**Total Interest Variance**								-159,184			
209												

Ontario Energy Board
P.O. Box 2319
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2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
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Ontario

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2002 March 14

James B. Richardson, P. Eng.
Chief Executive Officer
Innisfil Hydro Distribution Systems Limited
2073 Commerce Park Drive
Innisfil, ON
L9S 4A2

Dear Mr. Richardson:

Re: Innisfil Hydro Distribution Systems Limited
Market Adjusted Rate of Return (MARR) Application
Board File No. RP-2002-0062/EB-2002-0071

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

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2002-0062
EB-2002-0071

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 Innisfil Hydro Distribution Systems Limited 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.

Innisfil Hydro Distribution Systems Limited ("the Applicant") filed an Application ("the Application"), dated January 25, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

The Applicant filed a revised application ("the Revised Application") dated March 12, 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), $191,398.
- the 2001 deferred Payments in Lieu of Taxes (PILs), $ 291,414.
- the 2002 Payments in Lieu of Taxes (PILs), $ 794,200.
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, $74,117.

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 did not use the correct depreciation in the 2001 and 2002 PILs calculations. For both 2001 and 2002, the Applicant did not adjust the income tax gross-up formula for the 1.12% surtax rate. As a result,

- the 2001 deferred Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of $8,557.

- the 2002 Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an understatement of $7,852.

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

THE BOARD ORDERS THAT:

1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.

2) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, March 14, 2002.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2002-0062
EB-2002-0071

March 14, 2002

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Innisfil Hydro Distribution Systems Limited
Schedule of Rates and Charges
Effective March 1, 2002

RP-2002-0062
EB-2002-0071

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31
Summer: All Hours, April 1 through September 30
Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.
Off Peak: All Other Hours.

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

RESIDENTIAL

Monthly Service Charge	(per month)	$20.03
Distribution Volumetric Rate	(per kWh)	$0.0089
Cost of Power Rate	(per kWh)	$0.0761

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	$20.03
Distribution Volumetric Rate	(per kWh)	$0.0089
Cost of Power - Winter Peak	(per kWh)	$0.1252
Cost of Power - Winter Off Peak	(per kWh)	$0.0427
Cost of Power - Summer Peak	(per kWh)	$0.0986
Cost of Power - Summer Off Peak	(per kWh)	$0.0316

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$39.06
Distribution Volumetric Rate	(per kWh)	$0.0066
Cost of Power Rate	(per kWh)	$0.0750

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$380.03
Distribution Volumetric Rate	(per kW)	$1.8976
Cost of Power Demand Rate	(per kW)	$5.8571
Cost of Power Energy Rate	(per kWh)	$0.0523

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$1.09
Distribution Volumetric Rate	(per kW)	$4.2301
Cost of Power Demand Rate	(per kW)	$23.3417

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$64.84
Distribution Volumetric Rate	(per kW)	$3.0806
Cost of Power Demand Rate	(per kW)	$23.3305

UN-METERED SCATTERED LOADS

Un-metered scattered load will be billed as General Service < 50 kW.

Monthly Service Charge	(per month)	$39.06
Distribution Volumetric Rate	(per kWh)	$0.0066
Cost of Power Rate	(per kWh)	$0.0750

SPECIFIC SERVICE CHARGES

New Account Setup		$	24.00
Arrear's Certificate		$	15.00
Arrear's Certificate - with easement check		$	42.00
Dispute Involvement Charge		$	20.00
Late Payment Charge	(per month)		1.50%
	(per annum)		19.56%
Returned Cheque		$	12.50
Collection of Account Charge		$	12.50
Disconnect/Reconnect Charges (non payment of account)			
At Meter - During Regular Hours		$	36.00
At Meter - After Hours		$	145.00
Temporary Pole Service - Overhead		$	300.00
Temporary Pole Service - Underground		$	250.00

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

Commission de l'Énergie de l'Ontario
C.P. 2319
2300, rue Yonge
26e étage
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Téléphone; (416) 481-1967
Télécopieur: (416) 440-7656

Ontario

April 30, 2002

Mr. Roy E. Atkinson
Acting Chief Executive Officer
Innisfil Hydro Distribution Systems Ltd
2073 Commerce Park Drive
Innisfil, Ontario
L9S 4A2

RECEIVED
MAY - 1
INNISFIL

Dear Mr. Atkinson:

Re: March 1, 2002 Distribution Rate Adjustments
Amendment to Rate Schedule
Board File No. RP-2002-0062/EB-2002-0071

By this letter, the Board, on its own motion, varies its Decision and Order dated March 14, 2002 so as to correct certain errors. Specifically, the Board's decision on transition costs was inappropriately reflected in the determination of the rate schedules. In addition, the Board discovered that certain regulatory adjustments made by the Applicant were not appropriate. Because of these adjustments, the 2002 PILs understatement is $86,298, rather than $7,852 referenced in the March 14 Decision.

Attached are the amended rate schedules reflecting the above adjustments. These rate schedules replace those appended to the March 14, 2002 Decision and Order.

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

Encl.

Innisfil Hydro Distribution Systems Limited
Amended Schedule of Rates and Charges
Effective March 1, 2002

RP-2002-0062
EB-2002-0071

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31
Summer: All Hours, April 1 through September 30
Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.
Off Peak: All Other Hours.

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

RESIDENTIAL

Monthly Service Charge	(per month)	$20.03
Distribution Volumetric Rate	(per kWh)	$0.0089
Cost of Power Rate	(per kWh)	$0.0761

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	$20.03
Distribution Volumetric Rate	(per kWh)	$0.0089
Cost of Power - Winter Peak	(per kWh)	$0.1252
Cost of Power - Winter Off Peak	(per kWh)	$0.0427
Cost of Power - Summer Peak	(per kWh)	$0.0986
Cost of Power - Summer Off Peak	(per kWh)	$0.0316

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$39.06
Distribution Volumetric Rate	(per kWh)	$0.0066
Cost of Power Rate	(per kWh)	$0.0750

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$380.02
Distribution Volumetric Rate	(per kW)	$1.8975
Cost of Power Demand Rate	(per kW)	$5.8571
Cost of Power Energy Rate	(per kWh)	$0.0523

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$1.32
Distribution Volumetric Rate	(per kW)	$4.2300
Cost of Power Demand Rate	(per kW)	$23.3417

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$0.73
Distribution Volumetric Rate	(per kW)	$3.0805
Cost of Power Demand Rate	(per kW)	$23.3305

UN-METERED SCATTERED LOADS

Un-metered scattered load will be billed as General Service < 50 kW.

Monthly Service Charge	(per month)	$39.06
Distribution Volumetric Rate	(per kWh)	$0.0066
Cost of Power Rate	(per kWh)	$0.0750

SPECIFIC SERVICE CHARGES

New Account Setup		$	24.00
Arrear's Certificate		$	15.00
Arrear's Certificate - with easement check		$	42.00
Dispute Involvement Charge		$	20.00
Late Payment Charge	(per month)		1.50%
	(per annum)		19.56%
Returned Cheque		$	12.50
Collection of Account Charge		$	12.50
Disconnect/Reconnect Charges (non payment of account)			
At Meter - During Regular Hours		$	36.00
At Meter - After Hours		$	145.00
Temporary Pole Service - Overhead		$	300.00
Temporary Pole Service - Underground		$	250.00

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

(commodity price increase on April 1, 2004)

NAME OF UTILITY	Innisfil Hydro Distribution Systems Limited	**LICENCE NUMBER**	ED-2002-0520
NAME OF CONTACT	Greg Young	**PHONE NUMBER**	705-431-4321
E- Mail Address	gregy@innisfilhydro.com		
VERSION NUMBER	3		
Date	4-Mar-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	$	20.03	MONTHLY SERVICE CHARGE	n/a	n/a	$ 20.03		
DISTRIBUTION kWh	100	0.0089	$	0.89	DISTRIBUTION kWh	100	0.0112	$ 1.12		
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			$	27.61	Adjusted 2004 BILL			$ 28.24	$ 0.63	2.3%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**			**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
250 kWh	**(enter)**	**$/kWh**	**$**				**$/kWh**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	20.03	MONTHLY SERVICE CHARGE	n/a	n/a	$ 20.03		
DISTRIBUTION kWh	250	0.0089	$	2.23	DISTRIBUTION kWh	250	0.0112	$ 2.79		
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			$	38.98	Adjusted 2004 BILL			$ 40.55	$ 1.57	4.0%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**			**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
500 kWh	**(enter)**	**$/kWh**	**$**				**$/kWh**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	20.03	MONTHLY SERVICE CHARGE	n/a	n/a	$ 20.03		
DISTRIBUTION kWh	500	0.0089	$	4.45	DISTRIBUTION kWh	500	0.0112	$ 5.59		
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			$	57.93	Adjusted 2004 BILL			$ 61.07	$ 3.14	5.4%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**			**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
750 kWh	**(enter)**	**$/kWh**	**$**				**$/kWh**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	20.03	MONTHLY SERVICE CHARGE	n/a	n/a	$ 20.03		
DISTRIBUTION kWh	750	0.0089	$	6.68	DISTRIBUTION kWh	750	0.0112	$ 8.38		
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			$	76.88	Adjusted 2004 BILL			$ 81.59	$ 4.71	6.1%
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**			**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
1000 kWh	**(enter)**	**$/kWh**	**$**				**$/kWh**	**$**	**DOLLARS**	**%**

MONTHLY SERVICE CHARGE	n/a	n/a	$	20.03	MONTHLY SERVICE CHARGE	n/a	n/a	$	20.03	
DISTRIBUTION kWh	1000	0.0089	$	8.90	DISTRIBUTION kWh	1000	0.0112	$	11.18	
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			$	95.83	Adjusted 2004 BILL			$	104.11	$ 8.28	8.6%

MONTHLY CONSUMPTION OF 1500 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	20.03	MONTHLY SERVICE CHARGE	n/a	n/a	$	20.03	
DISTRIBUTION kWh	1500	0.0089	$	13.35	DISTRIBUTION kWh	1500	0.0112	$	16.77	
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			$	133.73	Adjusted 2004 BILL			$	149.15	$ 15.42	11.5%

MONTHLY CONSUMPTION OF 2000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	20.03	MONTHLY SERVICE CHARGE	n/a	n/a	$	20.03	
DISTRIBUTION kWh	2000	0.0089	$	17.80	DISTRIBUTION kWh	2000	0.0112	$	22.36	
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			$	171.63	Adjusted 2004 BILL			$	194.19	$ 22.56	13.1%

GENERAL SERVICE < 50 KW

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL				**2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)**					
MONTHLY CONSUMPTION OF 1000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	39.06	MONTHLY SERVICE CHARGE	n/a	n/a	$	39.06	
DISTRIBUTION kWh	1000	0.0066	$	6.60	DISTRIBUTION kWh	1000	0.00910	$	9.10	
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			$	111.56	Adjusted 2004 BILL			$	120.06	$ 8.50	7.6%

MONTHLY CONSUMPTION OF 2000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	39.06	MONTHLY SERVICE CHARGE	n/a	n/a	$	39.06	
DISTRIBUTION kWh	2000	0.0066	$	13.20	DISTRIBUTION kWh	2000	0.0091	$	18.19	
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			$	184.06	Adjusted 2004 BILL			$	207.05	$ 22.99	12.5%

MONTHLY CONSUMPTION OF 5000 kWh	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 39.06	MONTHLY SERVICE CHARGE	n/a	n/a	$ 39.06		
DISTRIBUTION kWh	5000	0.0066	$ 33.00	DISTRIBUTION kWh	5000	0.0091	$ 45.48		
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			$ 401.56	Adjusted 2004 BILL			$ 468.04	$ 66.48	16.6%

MONTHLY CONSUMPTION OF 10000 kWh	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 39.06	MONTHLY SERVICE CHARGE	n/a	n/a	$ 39.06		
DISTRIBUTION kWh	10000	0.0066	$ 66.00	DISTRIBUTION kWh	10000	0.0091	$ 90.96		
OTHER CHARGES kWh	10000	0.0229	$ 229.00	OTHER CHARGES kWh	10000	0.0229	$ 229.00		
COST OF POWER kWh	10000	0.0430	$ 430.00	COST OF POWER kWh	750	0.0470	$ 35.25		
				COST OF POWER kWh	9250	0.0550	$ 508.75		
CURRENT 2003 BILL			$ 764.06	Adjusted 2004 BILL			$ 903.02	$ 138.96	18.2%

MONTHLY CONSUMPTION OF 15000 kWh	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 39.06	MONTHLY SERVICE CHARGE	n/a	n/a	$ 39.06		
DISTRIBUTION kWh	15000	0.0066	$ 99.00	DISTRIBUTION kWh	15000	0.0091	$ 136.44		
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			$ 1,126.56	Adjusted 2004 BILL			$ 1,338.00	$ 211.44	18.8%

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
4	**RRR # 2.1.8**		Return			
5					**Version 2004.1**	
6	**Section A: Identification:**					
7	**Utility Name: Innisfil Hydro Distribution Systems Limited**					
8	**Reporting period: 2004**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		366	days		
12						
13	**Please enter the Materiality Level :**		25,203	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N	Y			
15	**(0.25% x Net Assets)**	Y/N	N			
16	**Or other measure (please provide the basis of the amount)**	Y/N	N			
17	**Does the utility carry on non-wires related operation?**	Y/N	Y			
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**Section B: Financial statements data:**					
23	*Input unconsolidated financial statement data submitted with Tax returns.*					
24	*The actual categories of the income statements should be used.*					
25	*If required please change the descriptions except for amortization, interest expense and provision for income tax*					
26						
27	*Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts*					
28	*in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.*					
29						
30	**Income:**					
31	Energy Sales	+	14,504,235		14,504,235	
32	Distribution Revenue	+	5,436,305		5,436,305	
33	Other Income	+	581,235	81,249	499,986	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	14,504,235		14,504,235	
40	Administration	-	948,707	26,292	922,415	
41	Customer billing and collecting	-	778,884	18,701	760,183	
42	Operations and maintenance	-	950,845		950,845	
43	Amortization	-	1,452,293		1,452,293	
44	Ontario Capital Tax	-	50,255		50,255	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	1,836,556	36,256	1,800,300	
51	Less: Interest expense for accounting purposes	-	948,226	23,306	924,920	
52	Provision for payments in lieu of income taxes	-	470,877	6,864	464,013	
53	**Net Income (loss)**	=	417,453	6,086	411,367	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	**Section C: Reconciliation of accounting income to taxable income**					
57	***From T2 Schedule 1***					
58	**BOOK TO TAX ADDITIONS:**					
59	Provision for income tax	+	470,877	6,864	464,013	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	1,452,293	0	1,452,293	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	43,357	0	43,357	
64	Reserves from financial statements- end of year	+	65,000	0	65,000	
65	Regulatory adjustments	+			0	
66	Material addition items from TAXREC 2	+	415,257	0	415,257	
67	Other addition items (not Material) from TAXREC 2	+	5,743	0	5,743	
68						
69	*Subtotal*		2,452,527	6,864	2,445,663	
70						
71	*Other Additions: (Please explain the nature of the additions)*					
72	Recapture of CCA	+			0	
73	Non-deductible meals and entertainment expense	+	2,087		2,087	
74	Capital items expensed	+			0	
75		+			0	
76		+			0	
77		+			0	
78		+			0	
79	*Total Other Additions*	=	2,087	0	2,087	
80						
81	Total Additions	=	2,454,614	6,864	2,447,750	
82						
83	Recap Material Additions:					
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91	*Total Other additions >materiality level*		0	0	0	
92	Other deductions (less than materiality level)		2,087	0	2,087	
93	Total Other Additions		2,087	0	2,087	
94						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
4	**RRR # 2.1.8**		Return			
5					**Version 2004.1**	
95	BOOK TO TAX DEDUCTIONS:					
96	Capital cost allowance	-	996,526		996,526	
97	Cumulative eligible capital deduction	-	36,967		36,967	
98	Employee benefit plans-paid amounts	-			0	
99	Items capitalized for regulatory purposes	-			0	
100	*Regulatory adjustments :*	-			0	
101	*CCA*	-			0	
102	*other deductions*	-			0	
103	*Tax reserves - end of year*	-	43,357	0	43,357	
104	*Reserves from financial statements- beginning of year*	-	0	0	0	
105	*Contributions to deferred income plans*	-			0	
106	*Contributions to pension plans*	-			0	
107	Interest capitalized for accounting deducted for tax	-			0	
108	Material deduction items from TAXREC 2	-	415,439	0	415,439	
109	Other deduction items (not Material) from TAXREC 2	-	3,450	0	3,450	
110						
111	Subtotal	=	1,495,739	0	1,495,739	
112	*Other deductions (Please explain the nature of the deductions)*					
113	Charitable donations - tax basis	-			0	
114	*Gain on disposal of assets*	-			0	
115		-			0	
116					0	
117		-			0	
118	*Total Other Deductions*	=	0	0	0	
119						
120	Total Deductions	=	1,495,739	0	1,495,739	
121						
122	Recap Material Deductions:					
123			0	0	0	
124			0	0	0	
125			0	0	0	
126			0	0	0	
127			0	0	0	
128	*Total Other Deductions exceed materiality level*		0	0	0	
129	Other Deductions less than materiality level		0	0	0	
130	Total Other Deductions		0	0	0	
131						
132	TAXABLE INCOME	=	1,376,328	12,950	1,363,378	
133	DEDUCT:					
134	Non-capital loss applied positive number	-			0	
135	Net capital loss applied positive number	-			0	
136					0	
137	NET TAXABLE INCOME	=	1,376,328	12,950	1,363,378	
138						
139	**FROM ACTUAL TAX RETURNS**					
140	Net Federal Income Tax (Must agree with tax return)	+	310,221	2,919	307,302	
141	Net Ontario Income Tax (Must agree with tax return)	+	192,686	1,813	190,873	
142	Subtotal	=	502,907	4,732	498,175	
143	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
144	**Total Income Tax**	=	502,907	4,732	498,175	
145						
146	**FROM ACTUAL TAX RETURNS**					
147	Net Federal Income Tax Rate (Must agree with tax return)		22.54%		22.54%	
148	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	
149	Blended Income Tax Rate		36.54%		36.54%	
150						
151	**Section D: Detailed calculation of Ontario Capital Tax**					
152						
153	**ONTARIO CAPITAL TAX**					
154	**(From Ontario CT23)**					
155	**PAID-UP CAPITAL**					
156						
157	Paid-up capital stock	+	10,852,444		10,852,444	
158	Retained earnings (if deficit, deduct)	+/-	759,273		759,273	
159	Capital and other surplus excluding	+			0	
160	appraisal surplus	+	313,298		313,298	
161	Loans and advances	+	10,229,743		10,229,743	
162	Bank loans	+			0	
163	Bankers acceptances	+	1,000,000	996,000	4,000	
164	Bonds and debentures payable	+			0	
165	Mortgages payable	+			0	
166	Lien notes payable	+			0	
167	Deferred credits	+	498,773		498,773	
168	Contingent, investment, inventory and similar reserves	+			0	
169	Other reserves not allowed as deductions	+	1,387,065		1,387,065	
170	Share of partnership(s), joint venture(s) paid-up capital	+	19,052		19,052	
171	Sub-total	=	25,059,648	996,000	24,063,648	
172	Subtract:					
173	Amounts deducted for income tax purposes in excess of amounts booked	-	43,357		43,357	
174	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
175	**Total (Net) Paid-up Capital**	=	25,016,291	996,000	24,020,291	
176						
177	**ELIGIBLE INVESTMENTS**					
178						
179	Bonds, lien notes, interest coupons	+			0	
180	Mortgages due from other corporations	+			0	
181	Shares in other corporations	+			0	
182	Loans and advances to unrelated corporations	+	594,793		594,793	
183	Eligible loans and advances to related corporations	+	996,000		996,000	
184	Share of partnership(s) or joint venture(s) eligible investments	+			0	
185						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
4	**RRR # 2.1.8**		Return			
5					**Version 2004.1**	
186	**Total Eligible Investments**	=	1,590,793	0	1,590,793	
187						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
4	**RRR # 2.1.8**		Return			
5					**Version 2004.1**	
188						
189	**TOTAL ASSETS**					
190						
191	Total assets per balance sheet	+	27,053,492	996,000	26,057,492	
192	Mortgages or other liabilities deducted from assets	+			0	
193	Share of partnership(s)/ joint venture(s) total assets	+	21,422		21,422	
194	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
195						
196	**Total assets as adjusted**	=	27,074,914	996,000	26,078,914	
197						
198	Add: (if deducted from assets)					
199	Contingent, investment, inventory and similar reserves	+			0	
200	Other reserves not allowed as deductions	+	1,387,065		1,387,065	
201	Subtract:				0	
202	Amounts deducted for income tax purposes in excess of amounts booked	-	43,357		43,357	
203	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
204	Subtract: Appraisal surplus if booked	-			0	
205	Add or subtract: Other adjustments	+/-			0	
206						
207	**Total Assets**	=	28,418,622	996,000	27,422,622	
208						
209						
210	**Investment Allowance**		1,400,340	0	1,393,423	
211						
212	**Taxable Capital**					
213						
214	Net paid-up capital	+	25,016,291	996,000	24,020,291	
215	Subtract: Investment Allowance	-	1,400,340	0	1,400,340	
216						
217	Taxable Capital	=	23,615,951	996,000	22,619,951	
218						
219	**Capital Tax Calculation**					
220	Deduction from taxable capital up to maximum of $5,000,000		4,936,500	0	4,936,500	
221	**(Input in tab Tax Rates)**					
222	Net Taxable Capital		18,679,451	996,000	17,683,451	
223						
224	Rate		0.3000%	0.3000%	0.3000%	
225						
226	Days in taxation year		366	366	366	
227	Divide days by 366		1.00	1.00	1.00	
228						
229	**Ontario Capital Tax (Must agree with CT23 return)**		56,038	2,988	53,050	
230						
231	**Section E: Detailed calculation of Large Corporation Tax**					
232						
233	**LARGE CORPORATION TAX**					
234	**(From Federal Schedule 33)**					
235	**CAPITAL**					
236	ADD:					
237	Reserves that have not been deducted in computing income for the year under Part I	+			0	
238	Capital stock	+	10,852,444		10,852,444	
239	Retained earnings	+	759,273		759,273	
240	Contributed surplus	+	313,298		313,298	
241	Any other surpluses	+	498,773		498,773	
242	Deferred unrealized foreign exchange gains	+			0	
243	All loans and advances to the corporation	+	11,052,682	996,000	10,056,682	
244	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
245	Any dividends declared but not paid	+			0	
246	All other indebtedness outstanding for more than 365 days	+			0	
247						
248	Subtotal	=	23,476,470	996,000	22,480,470	
249						
250	DEDUCT:					
251	Deferred tax debit balance	-			0	
252	Any deficit deducted in computing shareholders' equity	-			0	
253	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
254	Deferred unrealized foreign exchange losses	-			0	
255						
256	Subtotal	=	0	0	0	
257						
258	**Capital for the year**		23,476,470	996,000	22,480,470	
259						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
4	**RRR # 2.1.8**		Return			
5					**Version 2004.1**	
260	**INVESTMENT ALLOWANCE**					
261						
262	Shares in another corporation	+			0	
263	Loan or advance to another corporation	+	594,733		594,733	
264	Bond, debenture, note, mortgage, or	+			0	
265	similar obligation of another corporation	+			0	
266	Long term debt of financial institution	+			0	
267	Dividend receivable from another corporation	+			0	
268	Debts of corporate partnerships that were not exempt from tax under Part I.3	+			0	
269	Interest in a partnership	+			0	
270						
271	**Investment Allowance**	=	594,733	0	594,733	
272						
273						
274	**TAXABLE CAPITAL**					
275						
276	Capital for the year	=	23,476,470	996,000	22,480,470	
277						
278	Deduct: Investment allowance	-	594,733	0	594,733	
279						
280	Taxable Capital for taxation year	=	22,881,737	996,000	21,885,737	
281						
282	Deduct: Capital Deduction - maximum of $50,000,000	-	49,000,000	996,000	48,004,000	
283	(Input in tab 'Tax Rates')					
284	**Taxable Capital**	=	0	0	0	
285						
286	Rate 0.225% in 2002 and 2003; 0.200% in 2004		0.20000%	0.20000%	0.20000%	
287						
288	Days in year		366	366	366	
289	Divide days by 366		1.0000	1.0000	1.0000	
290						
291	**Gross Part I.3 Tax LCT (Must agree with tax return)**	=	0	0	0	
292						
293	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
294						
295	Less: Federal Surtax = **Actual Surtax from tax return**	-			0	
296						
297	**Net Part I.3 Tax - LCT Payable (Must agree with tax return)**	=	0	0	0	
298	(If surtax is greater than Gross LCT, then zero)					
299						
300	**Section F: Income and Capital Taxes**					
301						
302	**RECAP FROM ABOVE:**					
303	Total Income Taxes	+	502,907	4,732	498,175	
304	Ontario Capital Tax	+	56,038	2,988	53,050	
305	Federal Large Corporations Tax	+	0	0	0	
306						
307	**Total income and capital taxes**	=	558,945	7,720	551,225	
308						

RECEIVED
MAR 15 2004
INNISFIL HYDRO

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

Commission de l'Énergie de l'Ontario
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26e étage
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Ontario

March 12, 2004

George Shaparew
President
Innisfil Hydro Distribution Systems Limited
2073 Commerce Park Drive
Innisfil ON
L9S 4A2

Dear Mr. Shaparew:

Re: Distribution Rate Application
Board Decision and Order and Interim Rate Schedule

Attached is the Board's Decision and Order and Interim Rate Schedule with respect to your company's distribution rate application regarding the partial recovery of Regulatory Assets.

Yours truly,

Peter H. O'Dell
Assistant Secretary

cc. Intervenors of record

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2004-0057
EB-2004-0043

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 Innisfil Hydro Distribution Systems Limited for an order or orders approving or fixing just and reasonable rates.

BEFORE: Bob Betts
Presiding Member

Paul Vlahos
Member

DECISION AND ORDER

On January 15, 2004 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004.

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

While the Board had originally intended to approve the disposal of RSVA amounts on a final basis, on analysis of the applications by distributors and the reporting of RSVA amounts in these applications, the Board has now determined that all rate changes should be interim. In the Board's view, it would be premature to set these rates final based on the quality of the data contained in many of the applications and the fact that the audit sampling process by the Board has not been completed.

The Board received some interventions in these proceedings, mainly concerned with Phase Two of the process. The only intervenor to make specific submissions on Phase One of the proceeding was the School Energy Coalition, ("SEC") who objected to any interim increase in rates over and above the RSVA amounts on the basis that appropriate

evidence had not been filed on these amounts. The Board is not convinced by SEC's arguments and sees no reason that Phase One cannot proceed. Phase One only contemplates partial recovery on an interim basis at this time. In Phase Two, the Board will review all applications to ensure that only prudent and reasonably incurred costs are recovered over the four year period mandated by the Minister.

In light of the above, the Board finds that it is in the public interest to order as follows.

THE BOARD ORDERS THAT:

1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.

2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, March 12, 2004

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Secretary

Interim Rates RP-2004-0057

Innisfil Hydro Distribution Systems Limited EB-2004-0043

Schedule of Changed Distribution Rates and Charges

Effective Date: March 1, 2004

Implementation Date: April 1, 2004

RESIDENTIAL

Monthly Service Charge	(per month)	$20.03
Distribution Volumetric Rate	(per kWh)	$0.0112

RESIDENTIAL TIME OF USE

Monthly Service Charge	(per month)	$20.03
Distribution Volumetric Rate	(per kWh)	$0.0112

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$39.06
Distribution Volumetric Rate	(per kWh)	$0.0091

GENERAL SERVICE > 50 KW

Monthly Service Charge	(per month)	$380.03
Distribution Volumetric Rate	(per kW)	$3.3645

SENTINEL LIGHTS

Monthly Service Charge	(per month)	$1.32
Distribution Volumetric Rate	(per kW)	$5.6134

STREET LIGHTING

Monthly Service Charge	(per connection)	$0.73
Distribution Volumetric Rate	(per kW)	$4.1213

UNMETERED SCATTERED LOADS

Unmetered scattered load will be billed as General Service <50 kW

Monthly Service Charge	(per month)	$39.06
Distribution Volumetric Rate	(per kWh)	$0.0091

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Name of Utility:	**Innisfil Hydro Distribution Systems Limited**	**2005.V1.1**
License Number:	**ED-2002-0520**	**RP-2005-0013**
Name of Contact:	**Laurie Ann Cooledge**	**EB-2005-0039**
E- Mail Address:	**lauriec@innisfilhydro.com**	
Phone Number:	**705-431-6870**	**Extension: 236**
Date:	**January 17, 2005**	

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

Enter the 2005 PILs Proxy Amount $ 872,918.00 1

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		147,383,455	12,409	$4,268,286	78.7%	$687,262
General Service < 50 KW Class		24,957,359	880	$561,937	10.4%	$90,481
General Service > 50 KW Non-Time of Use	118,748	38,763,996	73	$556,715	10.3%	$89,640
General Service > 50 KW Time of Use					0.0%	$0
Intermediate Use					0.0%	$0
Large Class User					0.0%	$0
Sentinel Lights	459	136,023	181	$4,400	0.1%	$708
Street Lighting	3,639	946,632	2,196	$29,973	0.6%	$4,826
TOTALS		**212,187,465**	**15,739**	**$5,421,311**	**1.00**	**$872,918**
			2005 PILs Proxy Amount ==========>			$872,918

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			$687,262
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$687,262	$0	$687,262
(D) Number of kWh	147,383,455		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0047		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$90,481
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$90,481	$0	$90,481
(D) Number of kWh	24,957,359		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0036		

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			$89,640
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$89,640	$0	$89,640
(D) Number of kW	118,748		
(E) Incremental Distribution kW Rate ($/kW)	$0.7549		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Intermediate Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Large User Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

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			$708
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$708	$0	$708
(D) Number of kW	459		
(E) Incremental Distribution kW Rate ($/kW)	$1.5435		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$4,826
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$4,826	$0	$4,826
(D) Number of kW	3,639		
(E) Incremental Distribution kW Rate ($/kW)	$1.3262		

	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: Innisfil Hydro Distribution Systems Limited**											
8	**Reporting period: 2005**										**Column**	
9	**Days in reporting period:**	365	days								**Brought**	
10	**Total days in the calendar year:**	365	days								**From**	
11											**TAXREC**	
12												
13	**I) CORPORATE INCOME TAXES**											
14												
15	Regulatory Net Income REGINFO E54	1	1,801,044						-33,833		1,767,211	
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	***Additions:***											
20	Depreciation & Amortization	2	1,222,162						263,813		1,485,975	
21	Employee Benefit Plans - Accrued, Not Paid	3							0		0	
22	Tax reserves - beginning of year	4							43,357		43,357	
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							56,040		56,040	
28	Other Additions (not "Material") "TAXREC"	6							2,306		2,306	
29	"Material Items from "TAXREC 2" worksheet	6							273,643		273,643	
30	Other Additions (not "Material") "TAXREC 2"	6							7,629		7,629	
31												
32	***Deductions: Input positive numbers***											
33	Capital Cost Allowance and CEC	7	777,095						287,399		1,064,494	
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	730,894						164,716		895,610	
39	Tax reserves - end of year	4							798,552		798,552	
40	Reserves from financial statements - beginning of year	4							65,000		65,000	
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 RAM/PILs model	12	39,000						-39,000		0	
46	"Material" Items from "TAXREC" worksheet	12							47,569		47,569	
47	Other Deductions (not "Material") "TAXREC"	12							0		0	
48	Material Items from "TAXREC 2" worksheet	12							248,035		248,035	
49	Other Deductions (not "Material") "TAXREC 2"	12							2,504		2,504	
50												
51	TAXABLE INCOME/ (LOSS)		1,476,217						(961,820)	Before loss C/F	514,397	
52												
53	BLENDED INCOME TAX RATE											
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%						3.8178%	Formula	39.94%	
55												
56	REGULATORY INCOME TAX		533,210						-375,495	Actual	157,715	
57												
58												
59	Miscellaneous Tax Credits	14							0	Actual	0	
60												
61	**Total Regulatory Income Tax**		533,210						-375,495	Actual	157,715	
62												
63												
64	**II) CAPITAL TAXES**											
65												
66	***Ontario***											
67	Base	15	20,162,592						3,086,559		23,249,151	
68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,425,000						-32,159		7,392,841	
69	Taxable Capital		12,737,592						3,054,400		15,856,310	
70												
71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%						0.3000%		0.3000%	
72												
73	Ontario Capital Tax		38,213						9,356		47,569	
74												
75	***Federal Large Corporations Tax***											
76	Base	18	20,162,592						-20,162,592		0	
77	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	49,500,000						-49,500,000		0	
78	Taxable Capital		0						-69,662,592		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						0		0	
84												
85	Net LCT		0						0		0	
86												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SIMPIL RRR FILING**	**ITEM**	**Initial**						M of F	M of F	**M of F**	
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**						Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**								Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)								K-C	Explanation	(June)	
5	**RRR # 2.1.8**										**Version 2005.1**	
6			$						$		$	
87	**III) INCLUSION IN RATES**											
88												
89	Income Tax Rate used for gross- up		36.12%									
90												
91	Income Tax (proxy tax is grossed-up)	22	834,705							**Actual 2005**	157,715	
92	LCT (proxy tax is grossed-up)	23	0							**Actual 2005**	0	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	38,213							**Actual 2005**	47,569	
94												
95												
96	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2005***	25	872,918							**Actual 2005**	205,284	
97	**RAM DECISION**											
98												
99												
100	***IV) FUTURE TRUE-UPS***											
101	**IV a) Calculation of the True-up Variance**								**DR/(CR)**			
102	***In Additions:***											
103	Employee Benefit Plans - Accrued, Not Paid	3							0			
104	Tax reserves deducted in prior year	4							43,357			
105	Reserves from financial statements-end of year	4							0			
106	Regulatory Adjustments	5							0			
107	Other additions "Material" Items TAXREC	6							56,040			
108	Other additions "Material" Items TAXREC 2	6							273,643			
109	***In Deductions - positive numbers***											
110	Employee Benefit Plans - Paid Amounts	8							0			
111	Items Capitalized for Regulatory Purposes	9							0			
112	Regulatory Adjustments	10							0			
113	Interest Adjustment for tax purposes **(See Below - cell I207)**	11							164,716			
114	Tax reserves claimed in current year	4							798,552			
115	Reserves from F/S beginning of year	4							65,000			
116	Contributions to deferred income plans	3							0			
117	Contributions to pension plans	3							0			
118	Other deductions "Material" Items TAXREC	12							47,569			
119	Other deductions "Material" Item TAXREC 2	12							248,035			
120												
121	Total TRUE-UPS before tax effect	26						=	-950,832			
122												
123	Income Tax Rate from 2005 Utility's tax return							x	39.94%			
124												
125	Income Tax Effect on True-up adjustments							=	-379,742			
126												
127	Less: Miscellaneous Tax Credits	14							0			
128												
129	Total Income Tax on True-ups								-379,742			
130												
131	Income Tax Rate used for gross-up								38.82%			
132												
133	**TRUE-UP VARIANCE ADJUSTMENT**								(620,674)			
134												
135	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**											
136												
137	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)							=	1,476,217			
138												
139	REVISED CORPORATE INCOME TAX RATE							x	36.12%			
140												
141	REVISED REGULATORY INCOME TAX							=	533,210			
142												
143	Less: Revised Miscellaneous Tax Credits							-	0			
144												
145	Total Revised Regulatory Income Tax							=	533,210			
146												
147	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C61)							-	533,210			
148												
149	Regulatory Income Tax Variance							=	0			
150												
151	**Ontario Capital Tax**											
152	Base							=	20,162,592			
153	Less: Exemption from tab Tax Rates, Table 2, cell C39							-	7,500,000			
154	Revised deemed taxable capital							=	12,662,592			
155												
156	Rate - Tab Tax Rates cell C54							x	0.3000%			
157												
158	Revised Ontario Capital Tax							=	37,988			
159	Less: Ontario Capital Tax reported in the initial estimate column (Cell C73)							-	38,213			
160	Regulatory Ontario Capital Tax Variance							=	(225)			

	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								20,162,592			
164	Less: Exemption from tab Tax Rates, Table 2, cell C40							-	50,000,000			
165	Revised Federal LCT							=	(29,837,408)			
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								38.82%			
177												
178	Income Tax (grossed-up)							+	0			
179	LCT (grossed-up)							+	0			
180	Ontario Capital Tax							+	(225)			
181												
182	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**							=	(225)			
183												
184	**TRUE-UP VARIANCE (from cell I133)**							+	(620,674)			
185												
186	**Total Deferral Account Entry (Positive Entry = Debit)**							=	(620,899)			
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)								730,894			
195	Interest phased-in (Cell C38)								730,894			
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)								895,610			
203	Total deemed interest (REGINFO CELL D62)								730,894			
204												
205	Variance caused by excess debt								164,716			
206												
207	**Interest Adjustment for Tax Purposes (carry forward to Cell I113)**								164,716			
208												
209	**Total Interest Variance**								-164,716			
210												

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2005-0013
EB-2005-0039

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 **Innisfil Hydro Distribution Systems Limited** for an order or orders approving or fixing just and reasonable rates.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

Paul Vlahos
Member

Pamela Nowina
Member

DECISION AND ORDER

Background and Application

In November 2003 the Ontario government announced that it would permit local distribution companies to apply to the Board for the next installment of their allowable return on equity beginning March 1, 2005. The Government also indicated that the Board's approval would be conditional on a financial commitment to reinvest in conservation and demand management initiatives, an amount equal to one year's incremental returns.

Also in November 2003, the Government announced, in conjunction with the introduction of Bill 4, the *Ontario Energy Board Amendment Act, (Electricity Pricing), 2003*, that electricity distributors could start recovering Regulatory Assets in their rates, beginning March 1, 2004, over a four year period.

In February and March, 2004, the Board approved the applications of distributors to recover 25% of their December 31, 2002 Regulatory Asset balances (or additional amounts for rate stability) in their distribution rates on an interim basis effective March 1, 2004 and implemented on April 1, 2004.

On December 20, 2004 the Board issued filing guidelines to all electricity distribution utilities for the April 1, 2005 distribution rate adjustments. The guidelines allowed the applicants to recover three types of costs. These costs concern (i) the rate recovery of the third tranche of the allowable return on equity (Market Adjusted Revenue Requirement or "MARR"), (ii) the 2005 proxy allowance for payments in lieu of taxes ("PILs") and (iii) a second installment of the recovery of Regulatory Assets.

A generic Notice of the proceeding was published on January 25, 2005 in major newspapers in the province, which provided a 14 day period for submissions from interested parties. On February 4, 2005, the Board issued Procedural Order No. 1, providing for an extension for submissions until February 16, 2005 and also providing for reply submissions from applicants and other parties.

The Applicant filed an application for adjustments to their rates for the following amounts:

MARR: $ 191,398 ✓
2005 PILs Proxy: $ 872,918 ✓
Regulatory Assets Second Tranche: $ 1,169,183 ✓

Submissions

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

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

The Applicant was not specifically named in any of these submissions.

The full record of the proceeding is available for review at the Board's offices.

Board Findings

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

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 29, 2005
ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0013
EB-2005-0039

March 29, 2005

ONTARIO ENERGY BOARD

Innisfil Hydro Distribution Systems Limited
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RP-2005-0013
EB-2005-0039

RESIDENTIAL

Monthly Service Charge	(per month)	$16.41
Distribution Volumetric Rate	(per kWh)	$0.0174

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	$16.41
Distribution Volumetric Rate	(per kWh)	$0.0174

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$31.51
Distribution Volumetric Rate	(per kWh)	$0.0147

GENERAL SERVICE > 50 KW

Monthly Service Charge	(per month)	$304.51
Distribution Volumetric Rate	(per kW)	$4.1723

SENTINEL LIGHTS

Monthly Service Charge	(per connection)	$1.09
Distribution Volumetric Rate	(per kW)	$7.0367

STREET LIGHTING

Monthly Service Charge	(per connection)	$0.57
Distribution Volumetric Rate	(per kW)	$5.3984

UNMETERED SCATTERED LOADS

Billed at General Service < 50 kW.

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

	A	B	C	D	E	F	G	H
1	**PILs TAXES EB-2011-XXXX**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				G-C	Explanation		
5							**Version 2009.1**	
6	**Utility Name: Innisfil Hydro Distribution Systems Limited**							
7	**Reporting period: 2001**							
8							**Column**	
9	**Days in reporting period:**	91	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	336,033		-479,237		-143,204	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	305,541		42,460		348,001	
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			195,681		195,681	
29	Other Additions (not "Material") "TAXREC 2"	6			65		65	
30	**Items on which true-up does not apply "TAXREC 3"**				18,766		18,766	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	98,005		212,022		310,027	
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	142,221		102,367		244,588	
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			195,681		195,681	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				27,065		27,065	
49								
50	TAXABLE INCOME/ (LOSS)		401,348		(759,400)		(358,052)	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		0.0000%		40.62%	
54								
55	REGULATORY INCOME TAX		163,028		-163,028	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		163,028		-163,028	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	20,162,592		2,592,781		22,755,373	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-41,515		4,958,485	
68	Taxable Capital		15,162,592		2,551,266		17,796,888	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		11,372		2,085		13,457	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	20,162,592		2,120,299		22,282,891	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		10,162,592		2,120,299		12,282,891	
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)		5,716		1,249		6,966	
82	Less: Federal Surtax 1.12% x Taxable Income	21	4,495		-4,495		0	
83								
84	Net LCT		1,221		5,745		6,966	
85								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up ~~(exclude surtax)~~		40.62%					
89								
90	Income Tax (proxy tax is grossed-up)	22	269,467			**Actual 2001**	0	
91	LCT (proxy tax is grossed-up)	23	2,018			**Actual 2001**	6,966	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	11,372			**Actual 2001**	13,457	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2001***	25	282,857			**Actual 2001**	20,423	
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			195,681			
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 E206)**	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			195,681			
119								
120	Total TRUE-UPS before tax effect	26		=	0			

	A	B	C	D	E	F	G	H
1	**PILs TAXES EB-2011-XXXX**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				G-C	Explanation		
5							**Version 2009.1**	
6	**Utility Name: Innisfil Hydro Distribution Systems Limited**							
7	**Reporting period: 2001**							
8							**Column**	
9	**Days in reporting period:**	91	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
121								
122	Income Tax Rate from **2001** Utility's tax return			x	40.62%			
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)				39.50%			
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)			=	401,348			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	40.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	163,028			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	163,028			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60)			-	163,028			
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	**Ontario Capital Tax**							
151	Base			=	20,162,592			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	15,162,592			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	11,372			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			-	11,372			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				20,162,592			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	10,162,592			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				5,716			
169	Less: Federal surtax			-	4,495			
170	Revised Net LCT			=	1,221			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	1,221			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				18.00%			
176								
177	**Income Tax (grossed-up)**			+	0			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	0			
182								
183	**TRUE-UP VARIANCE (from cell E132)**			+	0			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	0			
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)				730,894			
194	Interest phased-in (Cell C37)				142,221			
195								
196	Variance due to phase-in of debt component of MARR in rates				588,673			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell G37+G42)				244,588			
202	Total deemed interest (REGINFO CELL D62)				730,894			
203								
204	Variance caused by excess debt				0			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell E112)**				0			
207								
208	**Total Interest Variance**				588,673			
209								
210								
211								

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES EB-2011-XXXX**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Innisfil Hydro Distribution Systems Limited**														**Version 2009.1**
4	**Reporting period: 2002**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		0		0		0		0		0		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-					0		0		0		0		0
13	**PILs proxy from April 1, 2005 - input 9/12 of amount**														0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
15	**True-up Variance Adjustment (3)**	+/-											-166,445		-166,445
16	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
17	**Deferral Account Variance Adjustment (5)**	+/-											0		0
18	**Adjustments to reported prior years' variances (6)**	+/-													0
19	**Carrying charges (7)**	+/-													0
20	**PILs billed to (collected from) customers (8)**	-	0												0
21															
22	**Ending balance: # 1562**		0		0		0		0		0		-166,445		-166,445
23															
24															
25															
26	**Uncollected PILs**														
27															
28	**NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	**Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:**														
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied														
64	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;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES EB-2011-XXXX**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Innisfil Hydro Distribution Systems Limited**														**Version 2009.1**
4	**Reporting period: 2003**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		0		0		0		0		0		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-					0		0		0		0		0
13	**PILs proxy from April 1, 2005 - input 9/12 of amount**														0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
15	**True-up Variance Adjustment (3)**	+/-											-144,308		-144,308
16	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
17	**Deferral Account Variance Adjustment (5)**	+/-											-41,262		-41,262
18	**Adjustments to reported prior years' variances (6)**	+/-													0
19	**Carrying charges (7)**	+/-													0
20	**PILs billed to (collected from) customers (8)**	-	0												0
21															
22	**Ending balance: # 1562**		0		0		0		0		0		-185,570		-185,570

23
24
25
26 **Uncollected PILs**
27
28 **NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.
29 For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.
30
31 **Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:**
32
33 (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
34 Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
35 If the Board gave more than one decision in the year, calculate a weighted average proxy.
36 (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
37 (iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
38 (iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
39 (v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
40 (vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
41
42 (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be
43 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
44
45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
46 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
47
48 (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be
49 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
50
51 (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.
52 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
53
54 (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
55
56 (7) Carrying charges are calculated on a simple interest basis.
57
58 (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate
59 components for Q4, 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
60 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
61 The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
62
63 (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied
64 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;
65 plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
67 In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,
68 for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
70 In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,
71 for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used
72 to calculate the recovery for the period January 1 to March 31, 2005.
73
74 (9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes
75 will have to include amounts from 1562 and from 1590.
76
77

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES - EB-2011-XXXX**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Innisfil Hydro Distribution Systems Limited**														**Version 2009.1**
4	**Reporting period: 2004**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		0		0		0		0		0		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-					0		0		0		0		0
13	**PILs proxy from April 1, 2005 - input 9/12 of amount**														0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
15	**True-up Variance Adjustment (3)**	+/-											-84,650		-84,650
16	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
17	**Deferral Account Variance Adjustment (5)**	+/-											-63,920		-63,920
18	**Adjustments to reported prior years' variances (6)**	+/-													0
19	**Carrying charges (7)**	+/-													0
20	**PILs billed to (collected from) customers (8)**	-	0												0
21															
22	**Ending balance: # 1562**		0		0		0		0		0		-148,570		-148,570

Uncollected PILs

NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.
For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
If the Board gave more than one decision in the year, calculate a weighted average proxy.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.

(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

(7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES EB-2011-XXXX**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Innisfil Hydro Distribution Systems Limited**														**Version 2009.1**
4	**Reporting period: 2005**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		284,580		165,525		-52,508		-244,969		-446,747		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-	282,857		880,498		1,163,355		951,212		220,125		290,973		3,789,019
13	**PILs proxy from April 1, 2005 - input 9/12 of amount**										654,688				654,688
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
15	**True-up Variance Adjustment (3)**	+/-			-166,445		-144,308		-84,650		-105,979				-501,382
16	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
17	**Deferral Account Variance Adjustment (5)**	+/-					-41,262		-63,920		-225				-105,407
18	**Adjustments to reported prior years' variances (6)**	+/-													0
19	**Carrying charges (7)**	+/-	1,723		29,053		13,153		-2,974		-21,441		-11,333		8,181
20	**PILs billed to (collected from) customers (8)**	-			-862,161		-1,208,971		-992,130		-948,945		-417,783		-4,429,990
21															
22	**Ending balance: # 1562**		284,580		165,525		-52,508		-244,969		-446,747		-584,891		-584,891
23															
24															
25															
26	**Uncollected PILs**														
27															
28	**NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
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43	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.														
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47															
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49	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
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57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 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														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied														
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68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
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71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

Detach and return this REMITTANCE FORM with your payment.

Ontario

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

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800117

35
PX5005

INNISFIL HYDRO DISTRIBUTION SYSTEMS
C/O GREG YOUNG, TREASURER
2073 COMMERCE PARK DR

INNISFIL
L9S 4A2 ON

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2001 12 31

Payment Amount: $

Total Payment Enclosed: $

Ontario

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

Keep this portion for your records.

Notice of Reassessment

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

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

Account No.	Reassessment Date (year, month, day)	Page
1800117	2004/04/28	1 of 1

REASSESSMENT NO. 31 REPLACING ASSESSMENT DATED: 2002/09/23

Tax: Federal and Provincial PIL		20,423.00
Assessment Interest		312.44CR
Total Reassessment Liability		20,110.56

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	26,700.00CR	
Refunds	6,439.05	
Sub-Total		20,260.95CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		150.39CR

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.

As per amended return.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

002 PX5005

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide (T4012)*.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business number (BN) (item 11) 001 89242 2817 RC 0001

Corporation's name (item 12)
002 Innisfil Hydro Distribution Systems Limited

PLEASE RETAIN THIS COPY FOR YOUR FILES

Has the corporation changed its name since the last time we were notified? 003 ☐ Yes ☒ No

If *yes*, do you have a copy of the articles of amendment? 004 ☐ Yes ☐ No

Address of head office (item 13)
Has the address changed since the last time we were notified? 010 ☐ Yes ☒ No
011 2073 Commerce Park Drive
012
City 015 Innisfil
Province, territory, or state 016 ON
Country (other than Canada) 017
Postal code/Zip code 018 L9S 4A2

Mailing address (if different from head office address) (item 14)
Has the address changed since the last time we were notified?
020 Yes ☐ No ☒
021 C/o
022 2073 Commerce Park Drive
023
City 025 Innisfil
Province, territory, or state 026 ON
Country (other than Canada) 027
Postal code/Zip code 028 L9S 4A2

Location of books and records (item 15)
031 2073 Commerce Park Drive
032
City 035 Innisfil
Province, territory, or state 036 ON
Country (other than Canada) 037
Postal code/Zip code 038 L9S 4A2

040 Type of corporation at end of taxation year (item 16)
1 ☒ Canadian controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (please specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043

To which taxation year does this return apply? (item 17)
From 060 2001/10/01 to 061 2001/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 ☐ Yes ☒ No

If *yes*, provide date control was acquired 065

Is the corporation a professional corporation that is a member of a partnership? (item 18) 067 ☐ Yes ☒ No

Is this the first year of filing after:
Incorporation? (item 19) 070 ☐ Yes ☒ No
Amalgamation? (item 20) 071 ☐ Yes ☒ No
If *yes*, complete Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)
If *yes*, complete Schedule 24 072 ☐ Yes ☒ No

Is this the final taxation year before amalgamation? (item 22) 076 ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23) 078 ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24) 080 ☒ Yes ☐ No
If *no*, give the country of residence. 081

Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24) 082 ☐ Yes ☒ No
If *yes*, complete Schedule 91

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)
085
1 ☐ Exempt under 149(1)(e) or (l)
2 ☐ Exempt under 149(1)(j)
3 ☐ Exempt under 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

Attachments

Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	X	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167	X	T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172		-----
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204	X	4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or (ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210	X	10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213	X	13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661/T665
124	Is the corporation subject to Part 1.3 tax?	233	X	33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	X	36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
128	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Attachments - Continued from page 2

Guide item		Yes	Schedule
130	Is the corporation subject to Part XIII.1 tax?	☐	92 *
153	Is the corporation claiming a film or video production services tax credit refund?	☐	T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	☐	T1134-A
44	Did the corporation have any controlled foreign affiliates?	☐	T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?	☐	T1135
44	Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
-	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
-	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
-	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174

Additional information

Is the corporation inactive? (item 48)	280	1 Yes ☐	2 No ☒
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	281	1 Yes ☐	2 No ☒
What is the corporation's major business activity? (item 50) (Only complete if *yes* was entered at line 281.)	282		
If the major activity involves the resale of goods, indicate whether is is wholesale or retail (item 51)	283	1 Wholesale ☐	2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)

284	Electricity Distribution	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes ☐	2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)	300	(358,052)	A
Deduct: Charitable donations from Schedule 2 (item 78)	311		
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	312		
Cultural gifts from Schedule 2 (item 80)	313		
Ecological gifts from Schedule 2 (item 81)	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320		
Part VI.1 tax deduction from Schedule 43 (item 83)*	325		
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331		
Net capital losses of preceding taxation years from Schedule 4 (item 85)	332		
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333		
Farm losses of prior taxation years from Schedule 4 (item 87)	334		
Limited partnership losses of prior years from Schedule 4 (item 88)	335		
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340		
Prospector's and grubstaker's shares (item 90)	350		
Subtotal		▶	B
Subtotal (amount A minus amount B) (if negative, enter "0")			C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355		D
Taxable income (amount C plus amount D) (item 92)	360	0	
Income exempt under paragraph 149(1)(t) (item 93)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)			Z

* If the taxation year ends after December 31, 2002, use "3" Instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the *T2 Corporation Income Tax Guide*.

Small business deduction

Canadian-controlled private corporations throughout the taxation year

Income from active business carried on in Canada from Schedule 7 (item 95) **400** _____ A

Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96) **405** _____ B

Calculation of the business limit: (item 97)

for all CCPCs, calculate the amount at line 4 below

$200,000 x	Number of days in the taxation year before 2003 / Number of days in the taxation year	92 / 92	=	200,000	1
$225,000 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	/ 92	=		2
$250,000 x	Number of days in the taxation year in 2004 / Number of days in the taxation year	/ 92	=		3
	Add amounts at line 1, 2, and 3			200,000	4

Business limit (see notes 1 and 2 below) **410** _____ 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 like 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410

Business limit reduction: (item 98)

Amount C _____ X **415** *** _____ D / 11,250 = _____ _____ E

Reduced business limit (amount C minus amount E) (if negative, enter "0") **425** 0 F

Small business deduction - 16% of the least of amounts A, B, C, and F **430** 0 G

(enter amount G of line 9 on page 7)

Accelerated tax reduction (item 99)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) _____ x _____ = _____ A

Net active business income (amount from line 400)* _____ B

Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/4 of line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax (item 96) _____ C

Deduct:

Aggregate investment income (amount from line 440 of page 6) _____ D

Amount C minus amount D (if negative, enter "0") _____ ▶ _____ E

Amount A, B, or E above, whichever is less _____ F

Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 = _____ G

Amount QQ from Part 13 of Schedule 27 _____ H

Resource allowance (line 346 of Schedule 1) _____ x 3 = _____ I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ J

Amount on line 400, 405, 410 or 425, whichever is less _____ K

Total of amounts G, H, I, J, and K _____ ▶ _____ L

Amount F minus amount L (if negative, enter "0") _____ M

Accelerated tax reduction - 7% of amount M _____ N

(Enter amount N on line 637 of page 7)

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

General tax reduction for Canadian-controlled private corporations (item 101)

Canadian-controlled private corporations throughout taxation year

Taxable income from line 360 page 3				A
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		B	
Amount QQ from Part 13 of Schedule 27			C	
Resource allowance (line 346 of Schedule 1)	x 3 =		D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E	
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less			F	
Aggregate investment income from line 440 of page 6			G	
Amount used to calculate the accelerated tax reduction (amount M of page 4)			H	
Total of amounts B, C, D, E, F, G, and H			▶	I
Amount A minus amount I (if negative, enter "0")				J

Amount J x	Number of days in the taxation year in 2001 / Number of days in the taxation year	92 / 92	x 1% =	K
Amount J x	Number of days in the taxation year in 2002 / Number of days in the taxation year	/ 92	x 3% =	L
Amount J x	Number of days in the taxation year in 2003 / Number of days in the taxation year	/ 92	x 5% =	M
Amount J x	Number of days in the taxation year after 2003 / Number of days in the taxation year	/ 92	x 7% =	N

General tax reduction for Canadian-controlled private corporations - total of amounts K, L, M and N O
(enter amount O on line 638 of page 7)

General tax reduction (item 102)

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 on page 3				A
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		B	
Amount QQ from Part 13 of Schedule 27			C	
Resource allowance (line 346 of Schedule 1)	x 3 =		D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			E	
Total of amounts B, C, D and E			▶	F
Amount A minus amount F (if negative, enter "0")				G

Amount G x	Number of days in the taxation year in 2001 / Number of days in the taxation year		x 1% =	H
Amount G x	Number of days in the taxation year in 2002 / Number of days in the taxation year		x 3% =	I
Amount G x	Number of days in the taxation year in 2003 / Number of days in the taxation year		x 5% =	J
Amount G x	Number of days in the taxation year after 2003 / Number of days in the taxation year		x 7% =	K

General tax reduction - total of amounts H, I, J and K L
(enter amount L on line 639 of page 7)

Refundable portion of Part I tax (item 103)

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (Amount P from Part 1 of Schedule 7)	440	X 26 2/3 % =		A
Foreign non-business income tax credit from line 632 on page 7				
Deduct:				
Foreign investment income (Amount O from Part 1 of Schedule 7)	445	X 9 1/3 % = (if negative, enter "0")		B
Amount A **minus** amount B (if negative, enter "0")				C
Taxable income from line 360 on page 3				
Deduct:				
Least of amounts on lines 400, 405, 410, and 425 on page 4				
Foreign non-business income tax credit from line 632 on page 7	x 25/9 =			
Foreign business income tax credit from line 636 on page 7	x 10/4 =			
			X 26 2/3% =	D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)				
Deduct corporate surtax from line 600 on page 7				
Net amount				E
Refundable portion of Part I tax - the least of amounts C, D, and E			450	0 F

Refundable dividend tax on hand (item 104)

Refundable dividend tax on hand at the end of the preceding tax year	460		
Deduct dividend refund for the previous taxation year	465		A
Add the total of:			
Refundable portion of Part I tax from line 450 above			
Total Part IV tax payable from line 360 on page 2 of Schedule 3			
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480		B
Refundable dividend tax on hand at the end of the taxation year - amount A plus amount B		485	0

Dividend refund (item 105)

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3		X 1/3	A
Refundable dividend tax on hand at the end of the taxation year from line 485 above			B
Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8)			0

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106) — 550 — 0 — A

Corporate surtax calculation (item 107)

Base amount from line A above — 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 — 2

Investment corporation deduction from line 620 below — 3

Federal logging tax credit from line 640 below — 4

Federal qualifying environment trust tax credit from line 648 below — 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b and c below on line 6:

28% of taxable income from line 360 on page 3 — a

28% of taxed capital gains — b — 6

Part I tax otherwise payable (line A **plus** line C and D **minus** line F) — c

Total of lines 2 to 6 — 7

Net amount (line 1 minus line 7) — 8

Corporate surtax - 4% of the amount on line 8 — 600 — B

Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108) — 602 — C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income (for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6 — i

Taxable income from line 360 on page 4

Deduct:

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

Net amount — ii

Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amounts i or ii — 604 — D

Subtotal (add lines A, B, C, and D) — E

Deduct:

Small business deduction from line 430 on page 4 — 9

Federal tax abatement (item 110) — 608

Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111) — 616

Investment corporation deduction (item 112) — 620

(Taxed capital gains 624)

Additional deduction - credit unions from Schedule 17 (item 113) — 628

Federal foreign non-business income tax credit from Schedule 21 (item 114) — 632

Federal foreign business income tax credit from Schedule 21 (item 115) — 636

Accelerated tax reduction from amount N of page 4 (item 116) — 637

General tax reduction for CCPC's from amount O of page 5 (item 117) — 638

General tax reduction from amount L of page 5 (item 117) — 639

Federal logging tax credit from Schedule 21 (item 118) — 640

Federal political contribution tax credit (item 119) — 644

Federal political contributions 646

Federal qualifying environmental trust tax credit (item 120) — 648

Investment tax credit from Schedule 31 (item 121) — 652

Subtotal — F

Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 122) — 0 — G

Summary of tax and credits

Federal tax

Part I tax payable from page 7 (item 123)	700	
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704	6,966
Part II surtax tax payable from Schedule 46 (item 125)	708	
Part IV tax payable from Schedule 3 (item 126)	712	
Part IV.1 tax payable from Schedule 43 (item 127)	716	
Part VI tax payable from Schedule 38 (item 128)	720	
Part VI.1 tax payable from Schedule 43 (item 129)	724	
Part XIII.1 tax payable from Schedule 92 (item 130)	727	
Part XIV tax payable from Schedule 20 (item 131)	728	
Total federal tax		6,966

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 132) 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147)	765	
Total tax payable	770	6,966 A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 148)	780		
Dividend refund from Page 4 (items 149)	784		
Federal capital gains refund from Schedule 18 (item 150)	788		
Federal qualifying environmental trust tax credit refund (item 151)	792		
Canadian film or video production tax credit refund from Form T1131 (item 152)	796		
Film or video production services tax credit refund from Form T1177 (item 153)	797		
Tax withheld at source (item 154)	800		
Total payments on which tax has been withheld (item 154) 801			
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804		
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808		
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812		
Royalties deductible under Syncrude Remission Order 815			
Tax remitted under Syncrude Remission Order (item 158)	816		
Tax instalments paid (item 159)	840	6,966	
Total credits	890	6,966	6,966 B
Balance (line A minus line B)			0 I

Refund Code (item 160) 894 2 Overpayment (item 163)

Direct Deposit Request (item 164)

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.
Balance unpaid (item 163)
Enclosed payment (item 162) 898

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? (item 161) 896 1 Yes ☐ 2 No ☒ NA ☐

Certification (item 165)

950 Young (Surname) 951 Greg (First name) 954 Treasurer (Position, office or rank)

955 2004/02/10 (Date) 956 (705) 431-4321 (Telephone number)

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 Name 959 ( ) - Telephone number

Language of correspondence - Langue de correspondance (item 166)

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

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NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements				A	(394,176)
Add:					
Provision for income taxes - current		101	6,384		
Amortization of tangible assets		104	343,298		
Amortization of intangible assets		106	4,703		
Income/loss for tax purposes - joint ventures/partnerships		109	(908)		
Loss on disposal of assets		111	65		
Non-deductible meals and entertainment expenses	2,712 X 50%	121	1,356		
Total of fields 201 to 294		199	213,091		
Total of fields 101 to 199		500	567,989	▶	567,989
Deduct:					
Capital cost allowance - Schedule 8		403	299,231		
Cumulative eligible capital deduction - Schedule 10		405	10,796		
Tax reserves claimed in current year - Schedule 13		413	12,700		
Total of fields 300 to 394		499	209,138		
Total of fields 401 to 499		510	531,865	▶	531,865
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)					(358,052)
Add:					
Limited partnership losses - Schedule 4				222	370
Other additions:					
602 Par. 12(1)(x) contributions capitalized on F/S:				292	195,681
603 Capital Tax per Financial Statements				293	17,040
Total of fields 201 to 294 (Enter this amount at line 199)					213,091

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Deduct:

Other deductions:

700	Ss. 13(7.4) election re Contributions in aid of construction	**390**	195,681
701	2001 Capital Tax - Ontario	**391**	13,457
	Total of fields 300 to 394 (Enter this amount at line 499)		209,138

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NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Schedule 4

Part 1 - Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2001/09/30							
2001/12/31							
Totals					358,052		358,052
					358,052		358,052

Current year non-capital loss

Net income (loss) for income tax purposes		(358,052)
Deduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)		
Subtotal - if positive, enter "0"		(358,052)
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		(358,052)

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year				
Losses expired after 7 years	100 -			
Non-capital losses - beginning balance	102 =			
Transfers from wind-up of wholly-owned subsidiary and amalgamation			105 +	
Current year non-capital loss from above	110	358,052		
Deduct - Non-capital loss carry back to:				
1st preceding taxation year against taxable income	901			
2nd preceding taxation year against taxable income	902			
3rd preceding taxation year against taxable income	903			
1st preceding taxation year against taxable dividends subject to Part IV tax	911			
2nd preceding taxation year against taxable dividends subject to Part IV tax	912			
3rd preceding taxation year against taxable dividends subject to Part IV tax	913			
Current year non-capital loss net of carryback		358,052	+	358,052
		Subtotal	=	358,052
Deduct:				
Amount applied against taxable income (enter on line 331 of T2 return)	130			
Amount applied against dividends subject to Part IV tax	135			
Section 80 adjustments	140			
Other adjustments	150			
			-	
Non-capital losses - ending balance			180 =	358,052

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.

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 2 - Farm loss

Farm loss continuity by year

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

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year				
Losses expired after 10 years	300	-		
Farm losses - beginning balance	302	=		
Transfers from wind-up of wholly-owned subsidiary and amalgamation			305	+
Current year farm loss	310			
Deduct - Farm loss carry back to:				
1st preceding taxation year against taxable income	921			
2nd preceding taxation year against taxable income	922			
3rd preceding taxation year against taxable income	923			
1st preceding taxation year against taxable dividends subject to Part IV tax	931			
2nd preceding taxation year against taxable dividends subject to Part IV tax	932			
3rd preceding taxation year against taxable dividends subject to Part IV tax	933			
Subtotal				
Current year farm loss net of carry-back				+
		Subtotal		=
Deduct:				
Amount applied against taxable income (enter on line 334 of T2 return)	330			
Amount applied against dividends subject to Part IV tax	335			
Section 80 adjustments	340			
Other adjustments	350			
				-
Farm losses - ending balance			380	=

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

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

Current year restricted farm loss

Net loss from farming business			485
Deductible farm loss:			
Net loss from above	A		
$2,500 plus 1/2 (A - $2,500)	B	2,500	
Maximum deduction	C	8,750	
Deductible farm loss (lesser of A, B, and C)			-
Current year restricted farm loss			

Restricted farm loss continuity and carry-back request

Restricted farm losses at end of preceding taxation year			
Losses expired after 10 years	400	-	
Restricted farm losses - beginning balance	402	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			405 +
Current year restricted farm loss (enter on line 233 of Schedule 1)	410		
Deduct - Restricted farm loss carry back to:			
1st preceding taxation year against farming income	941		
2nd preceding taxation year against farming income	942		
3rd preceding taxation year against farming income	943		
Current year restricted farm loss net of carry-back			+
Deduct:			
Amount applied against taxable income (enter on line 333 of T2 return)	430		
Section 80 adjustments	440		
Other adjustments	450		
			-
Restricted farm losses - ending balance			480 =

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LIMITED PARTNERSHIP LOSSES

Schedule 4

Current year limited partnership losses

1		2	3	4	5	6	7
Partnership identifier **600**		Fiscal period ending **602**	Corporation's share of limited partnership loss **604**	Corporation's at risk amount **606**	Corp's share of partnership ITC, farming losses and resource expenses **608**	Column 4 - 5 if negative, enter "0"	Current year limited partnership losses Column 3 - 6 **620**
1	Enerconnect	2001/12/31	1,908	1,538		1,538	370
						Total (enter this amount on Schedule 1)	370

Limited partnership losses from prior taxation years that may applied in the current year

1		2	3	4	5	6	7
Partnership identifier **630**		Fiscal period ending **632**	Limited partnership losses at end of preceding taxation year **634**	Corporation's at risk amount **636**	Corp's share of partnership ITC, business/property losses & resource expenses **638**	Column 4 - 5 if negative, enter "0"	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6 **650**
1	Enerconnect	2001/12/31					

Continuity of limited partnership losses that can be carried forward to future taxation years

Partnership identifier **660**		Losses at end of preceding taxation year **662**	Losses transferred from amalgamation or wind-up of subsidiary **664**	Current year limited partnership loss (from column 620) **670**	Limited partnership losses applied (cannot exceed 650) **675**	Limited partnership losses closing balance **680**
1	Enerconnect			370		370
				Total (enter this amount on line 335 of the T2 return)		

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CAPITAL COST ALLOWANCE

Schedule 8

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

1 Class **200**	2 UCC at start of year **201**	3 Cost of additions in the year **203**	4 Net adjustments **205**	5 Proceeds of dispositions in the year **207**	7 Adjustment for additions (1/2 x (col 3 - 5)) **211**	8 Base amount for CCA	9 Rate % **212**	10 CCA for the year (col 8 x 9 or a lower amount) **217**	11 Recapture of CCA **213**	12 Terminal loss **215**	13 UCC at the end of the year **220**
1		19,907,094	(195,681)		564,462	19,146,951	4	193,043			19,518,370
8		697,247			119,190	578,057	20	29,140			668,107
10		187,106			980	186,126	30	14,074			173,032
12		324,430			74,589	249,841	100	62,974			261,456
Totals		21,115,877	(195,681)		759,221	20,160,975		299,231			20,620,965

S8Supp

Reconciliation of NBV and UCC

NBV of capital assets, beginning of year			
Less: Land			
NBV of depreciable capital assets, beginning of year			
UCC beginning of year			
Timing difference, beginning of year			A
CCA and amortization			
CCA claimed	+ 299,231		
Terminal loss	+		
Recapture	-		
Amortization per financial statements	- 343,298		
Class 10.1			
Difference on purchase (cost _____ less ceiling _____)	+		
Beginning UCC less CCA in year of disposal	+		
NBV of class 10.1 asset prior to sale (proceeds, if financial statement gain)	-		
Gains and losses			
Gain on disposal of capital assets per financial statements	+		
Capital loss portion of total loss	+		
Loss on disposal of capital assets per financial statements	- 65		
Capital gain portion of total gain	-		
Other			
Operating leases capitalized for financial statement purposes			
Deductible items capitalized for financial statement purposes			
Section 85 difference			
Pre-valuation day depreciation			
Software allocated to transition costs for book purposes, included on Sched 8 for tax purposes	(1,000)		
Timing difference, current year	(45,132)	+ (45,132)	B
Timing difference, end of year (A + B)		(45,132)	C
Proof			
NBV of capital assets, end of year	21,721,389		
Less: Land	1,145,555		
NBV of depreciable capital assets, end of year	20,575,834	20,575,834	
UCC end of year	20,620,965		
Less: Ending Class 14 balance	-		
Adjusted UCC	= 20,620,965	= 20,620,965	
Timing difference as at 2001/12/31 (amount D should equal amount C)		(45,131)	D

Notes

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RELATED AND ASSOCIATED CORPORATIONS

Schedule 9

This form is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name 100	Country (if not Canada) 200	Business # (Canadian corporation only) 300	Code note 1 400	Common shares # owned 500	Common shares % owned 550	Preferred shares # owned 600	Preferred shares % owned 650	Book value of capital stock 700
Innisfil Energy Services Limited		86556 4595 RC 0001	3					
Corporation of the Town of Innisfil	NR	RC	1	1,000	100.000			10,852,444
		RC	0					

Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Schedule 10

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

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - balance at beginning of taxation year (if negative, enter nil)				200		A
Add:						
Cost of eligible capital property acquired during the taxation year	222	4,849	B			
Transfer from predecessor or subsidiary corporation	224	811,010	C			
Other adjustments	226		D			
(add amounts B, C, and D)		815,859	x 3/4 =		611,894	E
Subtotal (amount A **plus** amount E)				230	611,894	F
Deduct:						
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242		G			
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H			
Other adjustments	246		I			
(add amounts G, H, and I)			x 3/4 =	248		J
Cumulative eligible capital balance (amount F **minus** amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)					611,894	K
Current year deduction amount K (Deduct amount L on line 405 of Schedule 1)		611,894	x 7% =	250	10,796	L
Cumulative eligible capital balance at the end of the taxation year				300	601,098	M

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

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

(complete this part only if line K is negative)

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

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

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

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CONTINUITY OF RESERVES

Schedule 13

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 - Capital gains reserves

Description of property 001	Balance at the beginning of the year 002	Transfer on wind-up or amalgamation 003	Balance at the end of the year 004
Totals	008	009	010

The total capital gains reserve at the beginning of the taxation year plus the total transfer on wind-up or amalgamation should be entered on line 880, and the total capital gains reserve at the end of the taxation year should be entered on line 885 of Schedule 6.

Part 2 - Other reserves not deducted for accounting purposes

Description of property	Balance at the beginning of the year	Transfer on wind-up or amalgamation	Balance at the end of the year
Reserve for doubtful debt	110	115	120
Reserve for undelivered goods and services not rendered	130	135	140
Reserve for prepaid rent	150	155	160
Reserve for December 31, 1995 income	170	175	180
Reserve for returnable containers	190	195	200
Reserve for unpaid amounts	210	215	220
Other tax reserves *	230	235	240 12,700
Totals	270	275	280 12,700

The amount from line 270 plus the amount from line 275 should be included on line 125 of Schedule 1 as an addition.
The amount from line 280 should be included on line 413 of Schedule 1 as a deduction.

Part 3 - Accounting reserves not deductible for tax purposes

Description of property	Balance at the beginning of the year	Balance at the end of the year
Totals	A	B

Enter amount A on line 414 of Schedule 1 as a deduction.
Enter amount B on line 126 of Schedule 1 as an addition.

* 2001 Transition Costs.

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AGREEMENT AMONG ASSOCIATED CCPCs TO ALLOCATE THE BUSINESS LIMIT

Schedule 23

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.
Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").
Column 3: Enter the code that applies to each corporation:
1 - associated for purposes of allocating the business limit (unless association code 5 applies)
2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction.
3 - non-CCPC that is "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"
Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 cannot exceed $200,000.
Column 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Allocation of the business limit

Date filed (for departmental use only) **025** _____

Enter the calendar year to which the agreement applies **050** 2001

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** ☐ 1 Yes ☒ 2 No

1 Names of associated corporations **100**	2 Business Number **200**	3 Association code **300**	4 Allocation of business limit * **400**	5 Year end to which this agreement applies **500**
Innisfil Hydro Distribution Systems Limited	89242 2817 RC 0001	1		
Innisfil Energy Services Limited	86556 4595 RC 0001	1	200,000	
	RC	0		
		TOTALS	$ 200,000	

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

Names of all the corporations in the group	Last taxation year ending in the preceding calendar year				Current year
	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part I.3 tax for business limit reduction	Grossed-up reduced business limit
Innisfil Hydro Distribution Systems Limited					
Innisfil Energy Services Limited					200,000
TOTALS	$	$	$	$	$ 200,000

* Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 364.

Reduction to the business limit under subsection 125(5.1)

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

Note: If the taxation year of any of the associated corporations was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

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PART I.3 TAX ON LARGE CORPORATIONS

Schedule 33

- 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* within six months from the end of the taxation year.

Filing date (for departmental use only) **100** _____

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 - Capital

Add the following amounts at the end of the year:				
Reserves that have not been deducted in computing income for the year under Part I	101			
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,444		
Retained earnings	104			
Contributed surplus	105			
Any other surpluses	106	770,935		
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	11,567,770		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111			
Proportion of the amount, if any, by which the total of all amounts (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	10,967		
Subtotal		23,202,116	23,202,116	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121			
Any deficit deducted in computing the shareholders' equity	122	254,025		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above.	123			
The amount of deferred unrealized foreign exchange losses	124			
Subtotal		254,025	254,025	B
Capital for the year (amount A minus amount B) (if negative, enter "0")			190 22,948,091	

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 I.3 TAX ON LARGE CORPORATIONS

Part 2 - Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	665,200
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	
An interest in a partnership (see note 1)	407	
Investment allowance for the year	490	665,200

Part 3 - Taxable capital

Capital for the year (line 190)		22,948,091	C
Deduct: Investment allowance for the year (line 490)		665,200	D
Taxable capital for the taxation year (amount C minus amount D) (if negative, enter "0")	500	22,282,891	

Part 4 - Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 22,282,891 x $\frac{\text{Taxable income earned in Canada}}{\text{Taxable income}}$ 610 $\frac{1,000}{1,000}$ = 690 22,282,891

Notes: 1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2) Where a corporation's taxable income for a taxation year is "0" it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3) In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada			701	
Deduct the following amounts:				
Corporation's indebtedness at the end of the year (other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)) that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711			
Total of all amounts each of which is the carrying value at the end of the year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	712			
Total amount of carrying value at the end of the year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713			
Total deductions (add lines 711, 712, and 713)				E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")			790	

PART I.3 TAX ON LARGE CORPORATIONS

Part 5 - Calculation of gross Part I.3 tax

Taxable capital employed in Canada for the year (line 690 or 790, whichever applies)			22,282,891
Deduct: Capital deduction claimed for the year (Enter $10,000,000 or the amount allocated)		801	10,000,000
Excess of taxable capital employed in Canada over capital deduction		811	12,282,891
Gross Part I.3 Tax: Line 811	12,282,891 x .00225 =		27,637 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:
Amount F 27,637 X Number of days in the year (92) / 365 = 6,966 G

Gross Part I.3 tax for purposes of the unused surtax credit (Amount F or G, whichever applies)	820	6,966
Taxable capital employed in Canada for the year (line 690 or 790, whichever applies)		22,282,891
Deduct: Capital deduction claimed for the year (enter the amount allocated on Schedule 36)		10,000,000
Excess of taxable capital employed in Canada over capital deduction		12,282,891

Excess 12,282,891 x Number of days in the taxation year before 2004 / Number of days in the taxation year (92/92) x 0.00225 = 27,637

Excess 12,282,891 x Number of days in the taxation year in 2004 / Number of days in the taxation year (/92) x 0.00200 = _____

Subtotal 27,637

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:
Subtotal 27,637 X Number of days in the year (92) / 365 = 6,966

Gross Part I.3 tax 6,966

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) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, the lesser of a and b, below:

a) line 600 from the T2 return		1	
b) line 700 from the T2 return		2	
Lesser of lines 1 and 2			H

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

c) line 600 from your T2 return	x (line 690 / line 500)	3	
d) line 700 from the T2 return		4	
Lesser of lines 3 and 4			I

Current year surtax credit available (amount H or I, whichever applies) 830 _____

Part 7 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		
Less: Gross Part I.3 tax (line 820)		6,966
Current-year unused surtax credit (if negative, enter "0")	850	

Enter this amount at line 600 on Schedule 37

Part 8 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			6,966 J
Deduct: the following amounts:			
Current year surtax credit applied (the lesser of lines 820 and 830)	861		
Unused surtax credit from prior years applied	862		
Subtotal (cannot exceed amount on line 820)			K
Net Part I.3 tax payable (amount J minus amount K) Enter this amount at line 704 of the T2 return		870	6,966

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AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

Schedule 36

- Members of a related group of corporations should use this schedule to allocate the capital deduction 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.**
- 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.

Date filed (for departmental use only)	010	
Is this an amended agreement?	020	☐ 1 Yes ☒ 2 No
Enter the calendar year to which the agreement applies	030	2001

AGREEMENT

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 **200**	Business number **300**	Allocation of capital deduction for the year **400**	Taxation year-end to which this agreement applies * **500**
Innisfil Hydro Distribution Systems Limited	89242 2817 RC 0001	10,000,000	yyyy/mm/dd
Innisfil Energy Services Limited	86556 4595 RC 0001	0	yyyy/mm/dd
	RC	0	yyyy/mm/dd
	TOTAL	$ 10,000,000	

* 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 another corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

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SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder **100**	Business Number * **200**	Social Insurance Number * **300**	Percentage common shares **400**	Percentage preferred shares **500**
CORPORATION OF THE TOWN OF INNISFIL	NR		100.000	
	RC			

* If the shareholder is a trust, enter NR at field 200 or NA at field 300.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Amount
Cash and deposits	**1000**	2,317,636
Accounts Receivable	1060	2,527,307
Inventories	1120	198,172
Prepaid expenses	1484	57,525
Machinery, equipment, furniture and fixtures	1740	18,544,739
Due from / investment in related parties	2240	726,774
Other deferred items / charges	2424	964,607
Total assets	**2599**	25,336,760

Liabilities	Code	Amount
Bank overdraft	**2600**	
Trade payables	2621	2,528,370
Loans from Canadian banks	2701	600,000
Interest payable to related parties	2862	108,524
Deferred income	3220	770,935
Due to corporate shareholder(s)	3262	10,579,444
Other long term liabilities	3320	151,068
Total liabilities	**3499**	14,738,341

Equity	Code	Amount
Common shares	**3500**	10,852,444
Retained earnings / deficit	**3600**	(254,025)
Total equity	**3620**	10,598,419
Total liabilities and equity	**3640**	25,336,760

Retained earnings	Code	Amount
Retained earnings/deficit-start	**3660**	140,151
Net income / loss	**3680**	(394,176)
Total retained earnings	**3849**	(254,025)

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name
0001 _____

Description of operation, if filing multiple Schedules 125
0002 _____

Revenue	Code	Amount
Trade sales of goods and services	**8000**	4,816,191
Total sales of goods and services	**8089**	4,816,191
Other revenue	8230	134,620
Total revenue	**8299**	4,950,811

Cost of sales	Code	Amount
Opening inventory	**8300**	
Cost of sales	**8518**	4,135,476
Gross profit / loss (item 8089 - item 8518)	**8519**	680,715

Operating expenses	Code	Amount
Amortization of intangible assets	8570	4,703
Amortization of tangible assets	8670	343,298
Interest on long term debt	8714	244,588
General and administrative expenses	9284	610,538
Total operating expenses	**9367**	1,203,127
Total expenses	**9368**	5,338,603
Net non-farming income	**9369**	(387,792)

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

Farming expenses	Code	Amount
Crop expenses	**9660**	
Total farm expenses	**9898**	
Net farm income	**9899**	
Net income / loss before taxes and extraordinary items	**9970**	(387,792)

Summary

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

Extraordinary items	**9975** -	
Legal settlements	**9976** -	
Unrealized gains / losses	**9980** +	
Unusual items	**9985** -	
Current income taxes	**9990** -	6,384
Deferred income tax provision	**9995** -	
Net income / loss after taxes and extraordinary items	**9999** =	(394,176)

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

NOTES CHECKLIST

Schedule 141

Involvement of accountant

0100 Who reported on/prepared the corporation's financial statements?

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

Other information

Were any notes to the financial statements prepared?	**101**	☐ Yes	☒ No
If *yes*, complete the following:			
Are any values presented at other than cost?	**102**	☐ Yes	☐ No
Has there been a change in accounting policies since the last return?	**103**	☐ Yes	☐ No
Are subsequent events mentioned in the notes?	**104**	☐ Yes	☐ No
Is re-evaluation of asset information mentioned in the notes?	**105**	☐ Yes	☐ No
Is contingent liability mentioned in the notes?	**106**	☐ Yes	☐ No
Is information regarding commitments mentioned in the notes?	**107**	☐ Yes	☐ No
Does the corporation have investments in joint venture(s) or partnerships?	**108**	☒ Yes	☐ No
If *yes*, are you filing financial statements of the joint venture(s) or partnership(s)?	**109**	☒ Yes	☐ No

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

BUSINESS CONSENT FORM

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 – Consent to release of information to a representative

Client's name: Innisfil Hydro Distribution Systems Limited

Business Number: 892422817

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Grant Thornton LLP

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

(705) 326-7605

Representative's telephone number

(705) 326-0837

Representative's fax number

Part 2 – Details of consent

A. Which accounts?

I request that this consent apply to all accounts. ☒ OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 ☐	RC _____	RC _____
GST/HST	RT0001 ☐	RT _____	RT _____
Payroll deductions	RP0001 ☐	RP _____	RP _____
Import/Export	RM0001 ☐	RM _____	RM _____

B. Which years?

I request that this consent apply to all years. ☒ OR

I request that this consent apply only to the following years:

1. All year-ends up to: _____
2. All year-ends beginning in: _____ and all years after that.
3. The following year-ends only: _____ _____

_____ _____

BUSINESS CONSENT FORM

Part 3 – Cancellation of consent to release of information to a representative

Client's name: Innisfil Hydro Distribution Systems Limited Business Number: 892422817

I cancel all previous consents for all representatives. [X] OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

( ) -
Representative's telephone number

( ) -
Representative's fax number

Part 4 – Details of cancellation of consent

A. Which accounts?

I request that this cancellation of consent apply to all accounts. [X] OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 [ ]	RC	RC
GST/HST	RT0001 [ ]	RT	RT
Payroll deductions	RP0001 [ ]	RP	RP
Import/Export	RM0001 [ ]	RM	RM

B. Which years?

I request that this consent apply to all years. [ ] OR

I request that this consent apply only to the following years:

1. All year-ends up to:
2. All year-ends beginning in: and all years after that.
3. The following year-ends only:

Part 5 – Signature

Print your name Greg Young Title Treasurer

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here ▶ Date 2004/02/10

TaxPaid

Tax instalments paid

Jurisdiction	Description	Date	Amount
Federal	PILS payment made on filing of original T2	2002/02/28	6,966
Federal			
Federal			
Ontario	PILS payment made on filing of original CT23	2002/02/28	13,599
Federal			
		Total	20,565

* Enter Québec instalments paid on form CO-1027.VE

Summary by jurisdiction

Federal	6,966	Manitoba	
British Columbia		Ontario	13,599
Alberta			
Saskatchewan			

Federal tax instalments

Instalment base

	Estimate for current year	First instalment base	Second instalment base
Year-end	2002/12/31	2001/12/31	2001/09/30
Taxable income			
Base amount of Part I tax			
Corporate surtax			
Refundable tax on CCPC's investment income			
Small business deduction			
Federal tax abatement			
Manufacturing and processing profits deduction			
Foreign tax credits			
Tax reductions			
Political contribution tax credit			
Investment tax credit			
Other credits			
Part I tax payable			
Part I.3 tax payable		6,966	
Part VI tax payable			
Part VI.1 tax payable			
Net provincial or territorial tax payable			
Total tax payable		6,966	
Days in taxation year	365	92	365
Tax payable adjusted for short taxation years		27,637	
Estimated credits for the current year:			
Investment tax credit refund			
Dividend refund			
Other			
Total estimated credits			
Instalment base		27,637	
Monthly payment		2,303	

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
- ☐ 2. based on the first instalment base
- ☒ 3. based on the first and second instalment base
- ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2002/01/31			
2002/02/28			
2002/03/31	2,764		
2002/04/30	2,764		
2002/05/31	2,764		
2002/06/30	2,764		
2002/07/31	2,764		
2002/08/31	2,764		
2002/09/30	2,764		
2002/10/31	2,764		
2002/11/30	2,764		
2002/12/31	2,764		
Total	27,640		

Tax Summary

Tax year ending 2001/12/31

Taxable income

Net income for tax purposes		(358,052)
Charitable donations and gifts	-	
Taxable dividends	-	
Losses of prior years	-	
Other adjustments	±	
Taxable income	=	

Part I tax

38% of taxable income		
Surtax	+	
Refundable tax on CCPC investment income	+	
Active business income		
Small business deduction	-	
Federal tax abatement	-	
Manufacturing and processing deduction	-	
Foreign tax credits	-	
Political contribution tax credit	-	
Investment tax credit	-	
Other deductions and credits	-	
Part I tax	=	

Tax payable

Part I tax		
Part I.3 tax (large corporations tax)	+	6,966
Taxable dividends received		
Part IV tax	+	
Other federal tax payable	+	
Subtotal	=	6,966
Provincial and territorial tax (except QC,ON,AB)	+	
Provincial tax on large corporations (NB,NS)	+	
Tax payable	+	6,966
Tax instalments paid	-	6,966
Investment tax credit refund	-	
Taxable dividends paid		
Dividend refund	-	
Other refundable credits	-	
Balance owing (refund) on federal return	=	
Provincial income tax (ON,AB,QC)		
Capital and other provincial taxes	+	13,457
Tax instalments and credits	-	13,599
Other provincial taxes	=	(142)
Total balance owing (refund)		(142)

Provincial tax

	Taxable income	Income tax	Capital and other provincial taxes	Tax instalments and credits	Net provincial tax
Newfoundland					
Prince Edward Island					
Nova Scotia					
New Brunswick					
Manitoba					
Saskatchewan					
British Columbia					
Yukon Territory					
Northwest Territories					
Schedule 5 provincial tax payable					
Ontario	(358,052)		13,457	13,599	(142)
Alberta					
Québec					
Totals			13,457	13,599	(142)

Loss carryforwards

Capital	
Non-capital	358,052
Farm	
Restricted farm	
Limited partnership	370
Listed personal property	

Other carryforwards

Capital dividend account	
Refundable dividend tax on hand (net of dividend refund)	
Unused Part 1.3 tax credit	
Unused surtax credits	
Foreign business tax credits	
Donations and gifts	
Investment tax credits	

CT23:359: Deferred income tax reserves

Development Charges	770,935
Total	770,935

CT23:361: Other reserves

CEC	-10,796
CEC on appraisal increment	3,308
CCA	-299,231
CCA on appraisal increment	49,367
Software incl'd in transition costs	1,000
Book Depreciation	348,001
Total	91,649
	91,649

NBV of capital assets, end of year

NBV, Dec 31/01	18,544,739
Appraisal Increment for tax only	3,016,455
Regulatory Assets to s.8	160,195
Total	21,721,389

□Less: Land

Land	484,399
Appraisal Increment on Land	100,000
Less: Land Rights	561,156
Total	1,145,555

S10:224: Transfer from predecessor or subsidiary

Land Rights	561,010
Goodwill	250,000
	0
Total	811,010

Assets amount

Receivables	1,478,807
Unbilled revenue	1,048,500
Total	2,527,307

Assets amount

Due from IESL	61,574
Notes due from IESL	665,200
Total	726,774

Assets amount

Development charges	770,935
Regulatory assets	193,672
Total	964,607

Liabilities amount

Payables and accruals	2,291,112
Customer credit balances & deposits	237,258
Total	2,528,370

S33:106: Any other surpluses

Development Charges	770,935
Total	770,935

S33:108: Loans and advances

Longterm debt	10,579,444
Bank Loan	600,000
Customer credit balances	149,258
Customer deposits	239,068
	11,567,770
Total	11,567,770

INNISFIL HYDRO DISTRIBUTION SYSTEMS
Business Number 89242 2817 RC0001
December 31, 2001

ELECTION UNDER SUBSECTION 13(7.4) OF THE INCOME TAX ACT (CANADA)

The company hereby elects under subsection 13(7.4) of the Income Tax Act (Canada) to reduce the capital cost of the depreciable property of class 1, acquired in the taxation year, by an amount of $195,681, received in the taxation year, that would otherwise be included in income under paragraph 12(1)(x).

_____
Authorized Signing Officer

ELECTION UNDER SUBSECTION 7(4) OF ELECTRICITY ACT REGULATION 162/01

The company hereby elects to have subsection 7(4) of Electricity Act Regulation 162/01 apply to all property transferred under a transfer bylaw.

_____
Authorized Signing Officer

Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada

STATEMENT OF PARTNERSHIP INCOME / ÉTAT DES REVENUS D'UNE SOCIÉTÉ DE PERSONNES — T5013

Fiscal period end / Exercice financier: 2001 (Year/Année) 12 (Month/Mois)

01 Partnership's identification number / Numéro d'identification de la société de personnes

02 Tax shelter identification number / Numéro d'inscription de l'abri fiscal

04 Partnership code / Code de la société de personnes: 1

05 Business code / Code d'activité économique: 1225

06 Tax shelter registration number / Numéro d'inscription de l'abri fiscal

07 Country code / Code du pays: CAN

08 Method code / Code de méthode: 0

09 Number of partnership units held / Nombre d'unités de la société de personnes détenues: 36,000.0000

10 Percent (xxx.xxxx%) of partnership income (loss) / Part (%) de la société de personnes des revenus (pertes) de la société de personnes: 1.1293

11 Tax code / Code fiscal: 3

12 Beneficiary identification number / Numéro d'identification du bénéficiaire

Partnership's name and address / Raison sociale et adresse de la société de personnes:

INNISFIL HYDRO DISTRIBUTION SYSTEMS LTD
2073 COMMERCE PARK DRIVE
BOX 1000
THORNTON, ON
L0L 2N0

Partner's name and address / Nom et adresse du associé:

THE ENERCONNECT LIMITED PARTNERSHI
BARRY CONWAY
2300 YONGE STREET, STE # 408
P O BOX 2408
TORONTO, ON M4P 1E4

Section 1 - Partnership information - Renseignements sur une société de personnes

18 Canadian and foreign net business income(loss) / Revenu net(perte nette) d'entreprise canadien et étranger: (1,908.31)	19 Foreign net business income(loss) / Revenu net (perte nette) d'entreprise étranger	20 Canadian and foreign net rental income (loss) / Revenu net (perte nette) de location canadien et étranger	21 Foreign net rental income (loss) / Revenu net(perte nette) de location étranger	22 Capital cost allowance / Déduction pour amortissement: 156.00	23 Capital gains (losses) / Gains(pertes) en capital	24 Capital gains reserve / Réserve relative aux gains en capital	
25 Actual amt. of div. from corp. resident in Canada / Montant réel des dividendes de sociétés résidant du Canada	26 Interest from Canadian sources / Intérêts de source canadienne	27 Foreign dividends and interest income / Revenu étranger en dividendes et en intérêts	28 Business investment loss / Perte au titre d'un placement d'entreprise		30 Carrying charges / Frais financiers	31 Limited partnership loss available for carryforward / Perte comme commanditaire disponible à reporter: (1,908.31)	
32 Income tax deducted / Impôt sur le revenu retenu	33 Foreign tax paid / Impôt étranger payé	34 Charitable donations And government gifts / Dons de bienfaisance et dons au gouvernement	35 Cultural and ecological gifts / Dons de biens culturels ou écologiques	36 Federal political contributions / Contributions politiques fédérales	37 Provincial and territorial political contributions / Contributions politiques provinciales et territoriales	38 Investment tax credit / Crédit d'impôt à l'investissement	
39 Canadian exploration expenses / Frais d'exploration au Canada	40 Canadian development expenses / Frais d'aménagement au Canada	41 Canadian oil and gas property expenses / Frais à l'égard de biens canadiens relatifs au pétrole et au gaz	42 Foreign exploration and development expenses / Frais d'exploration et d'aménagement à l'étranger	43 Recapture of earned depletion / Récupération de la déduction pour épuisement gagnée	44 Amt. eligible for resource allowance deduction / Montant donnant droit à la déd. relative aux ressources	45 Limited partner's at-risk amount / Fraction à risques de la participation du commanditaire: (1,538.55)	
46 Assistance for Canadian exploration expenses / Aide pour frais d'exploration au Canada	47 Assistance for Canadian development expenses / Aide pour frais d'aménagement au Canada	48 Assistance for Canadian oil and gas property expenses / Aide pour frais à l'égard de biens can. relatifs au pétrole et au gaz			51 Partnership's total net income / Revenu net total de la société de personnes: 232,799.00		

Details - Détails

Complete Section 2 only if the partnership is a tax shelter. / Remplissez la section 2 seulement si la société de personnes est un abri fiscal.

Section 2 - Tax shelter information - Renseignements sur un abri fiscal

53 Number of units acquired / Nombre d'unités acquises	54 Cost per unit / Coût par unité	55 Total cost of units / Coût total des unités	56 Limited-recourse amounts / Montant à recours limité	57 At-risk adjustment / Montant de rajustement à risque	58 Other indirect reductions / Autres réductions indirectes	

Note: The identification number issued for this tax shelter shall be included in any income tax return filed by the investor. Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter.

Remarque: Le numéro d'inscription attribué à cet abri fiscal doit figurer dans toute déclaration d'impôt sur le revenu produite par l'investisseur. L'attribution de ce numéro n'est qu'une formalité administrative et ne confirme aucunement le droit de l'investisseur aux avantages fiscaux découlant de cet abri fiscal.

Complete Section 3 only if the partnership invested in flow-through shares of a publicly traded corporation. / Remplissez la section 3 seulement si la société de personnes a fait des placements dans des actions accélérées d'une entreprise ouverte.

Section 3 - Allocation of Canadian exploration and development expenses - Répartition des frais d'exploration au Canada et des frais d'aménagement au Canada

	Renunciation / Renonciation	Adjustment / Correction	Assistance / Montant d'aide	Expenses qualifying for a provincial tax credit / Frais admissibles aux fins d'un crédit d'impôt provincial	
Canadian exploration expenses / Frais d'exploration au Canada	130	132	134	BC	141
Canadian development expenses / Frais d'aménagement au Canada	131	133	135	SK	143
				ON	145
	Amount / Montant	Reduction / Réduction			
Expenses qualifying for a flow-through share / Frais admissibles aux fins d'un flow-through	138				
Portion subject to an interest free period / Partie donnant lieu à une période sans intérêt	139	140			

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 642
33 King Street West
Oshawa ON L1H 8T1

CT23 - Certification Form Diskette Filing

Return I.D. # (Ministry Use Only)

Corporations Tax Account Number 1800117

Please check appropriate boxes if applicable:

- [X] First year of filing
- [X] Amended return
- [ ] Taxation year end has changed (approval by CCRA required)
- [ ] Exempt from filing
- [ ] Final taxation year up to Dissolution
- [ ] Final taxation year before Amalgamation
- [ ] Floating Fiscal year end
- [X] Subject to CMT
- [ ] Change of Control fed.s.249(4)

Date Control was acquired:

Date of incorporation 2000/10/05

Return for taxation year
Start 2001/10/01
End 2001/12/31

CCRA Business No. 892422817RC0001

Jurisdiction Incorporated Ontario

Corporation's legal name and mailing address
Innisfil Hydro Distribution Systems Limited
Care of

Change of information? Yes [ ] No [X]

Address
2073 Commerce Park Drive

City	Province	Country	Postal code
Innisfil	ON		L9S 4A2

Transmitter Details

Transmitter number	A0006001
Transmitter name	Grant Thornton LLP
Name of person to contact	
Telephone number	(705) 326-7605
Facsimile number	(705) 326-0837
Transmitter Address	279 Coldwater Rd W Orillia, Ontario L3V3M1
Disk Reference Number	

Aggregate of Total Revenue	**210**	19,687,839
Aggregate of Total Assets	**209**	26,220,946
Taxable Income (Non-capital Loss)	**10**	(358,052)
Total Tax Payable	**950**	13,457
Payments:	**990**	13,599
Enclosed:		
Apply to: Year		2003/12/31
Apply Amount:		142
975 Refund:		Yes [ ] No [X]
If Yes, Due to:		
Loss Carryback:		Yes [ ] No [X]
Overpayment:		Yes [ ] No [X]
Refundable tax credit		Yes [ ] No [X]

Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this 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
Greg Young

Title
Treasurer

Full Residence address
2073 Commerce Park Drive

City
Innisfil

Province	Country	Postal code
ON		L9S 4A2

Signature

Phone Number	Date
(705) 431-4321	2004/02/10

ProFile Version 2002.4 Approval code 0090

Payment Advice

Corporations Tax Account Number	1800117
Date of Incorporation	2000/10/05
Corporation Name	
Innisfil Hydro Distribution Systems Limited	

Enter the amount of payment and indicate taxation year.

Taxation Year End	Payment amount
	$
2001/12/31	$
Total Payment	$

Submit your cheque (drawn on a Canadian financial institution) or money order in Canadian Funds, payable to: The Minister of Finance

Send to: Ontario Ministry of Finance
Corporations Tax Branch
P.O. Box 642
33 King Street West
Oshawa ON L1H 8T1

Incomplete information will result in a delay processing an assessment.

Ontario

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

2001 (Revised) CT23 Corporations Tax and Annual Return

For taxation years commencing after May 4, 1999

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the MCBS Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-18, together with the applicable schedules on pages 19-22. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2).
The **Annual Return** (common page 1 and MCBS Schedules A or K on pages 23 and 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Refer to Guide)* Yes ☐ No ☒

Corporation's legal name and mailing address
Innisfil Hydro Distribution Systems Limited

2073 Commerce Park Drive

City: Innisfil | Province: ON | Country: | Postal code: L9S 4A2

Ontario Corporations Tax Account No. (MOF): 1800117

This CT23 Return covers the Taxation Year
Start: 2001/10/01
End: 2001/12/31

Has address changed since last filed return? Yes ☐ | Date of change:

Date of Incorporation or Amalgamation: 2000/10/05

Registered/Head Office Address
2073 Commerce Park Drive

City: Innisfil | Province: ON | Country: | Postal code: L9S 4A2

Ontario Corporation No. (MCBS): 1430892

Location of books and records
2073 Commerce Park Drive

City: Innisfil | Province: ON | Country: | Postal code: L9S 4A2

Canada Customs and Revenue Agency Business No.: 892422817RC0001

Name of person to contact regarding this Return: Greg Young
Telephone no.: (705) 431-4321
Fax no.: (705) 431-5901

Jurisdiction Incorporated: Ontario

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

City | Province | Country | Postal code

If not incorporated in Ontario, indicate date Ontario business activity commenced and ceased:
Commenced
Ceased
(Not Applicable) ☒

Former Corporation Name (*Extra-Provincial Corporations only*) ***Not applicable*** ☐ (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶ No. of Schedule(s): 0

Preferred Language / *Langue de préférence*
English ☒ anglais | French ☐ français

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

Ministry Use

Certification (MCBS)

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

Name of Authorized Person
Greg Young

Title: D ☐ Director | O ☒ Officer | P ☐ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

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

Criteria for exempt from filing status:

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

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

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

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

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

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

1. Corporation's Mailing Address

City	Province	Country	Postal code

2. Ontario Corporation No. (MCBS)

3. Canada Customs and Revenue Agency Business No.
RC

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

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

Yes	No	
☒	☐	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents 100 % (nearest whole percent)
☒	☐	(b) The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. *(Refer to guide)*
☐	☒	(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.
☐	☒	(d) The corporation's taxation year ends on or after January 1, 2000 and its gross revenue and total assets are each $1,000,000 or less and the corporation is not a financial institution; **OR** The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution.
☒	☐	(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).
☒	☐	(f) The corporation's Ontario allocation factor is 100%.

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

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

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

[1]
- 1 [X] Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.)(fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office No.)

Ontario Employer Health Tax Account No. (Use Head Office No.)

Specify major business activity
Electricity distribution

[2]
- 1 [ ] Family Farm Corporation s.1(2)
- 2 [ ] Family Fishing Corporation s.1(2)
- 3 [ ] Mortgage Investment Corp 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 Corp 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 Corp 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 institutions prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [X] Hydro successor, Municipal Electrical Utility or subsidary 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 (✓) box(es) if applicable:

- [X] First Year of Filing
- [X] Amended Return
- [ ] Taxation Year End has changed - Canada Customs and Revenue Agency 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: _____

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

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** ±	(358,052)
Subtract: Charitable donations	**1** -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule)*	**2** -	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	**3** -	
Subtract: Ontario political contributions *(Attach schedule)*	**4** -	
Subtract: Federal Part VI.1 tax _____ X 9/4	**5** -	
Subtract: Prior years' losses applied - Non-capital losses	From **704** -	
Net capital losses (page 17) From **715** _____ X inclusion rate 50.000000 %	**714** -	
Farm losses	From **724** -	
Restricted farm losses	From **734** -	
Limited partnership losses	From **754** -	
Taxable income (Non-capital loss)	**10** =	(358,052)
Addition to taxable income for unused foreign tax deduction for federal purposes	**11** +	
Adjusted taxable income 10 + 11 (if **10** is negative, enter **11**)	**20** =	

Taxable Income

Number of days in Taxation Year

From **10** (or **20**) _____ X**30** 100.0000 % X 14.5 % X **24** _____ (Days after May 1, 2000 and before Jan 1, 2001) ÷ **73** 92 (Total days) = **25** +
Ontario Allocation

From **10** (or **20**) _____ X**30** 100.0000 % X 14.0 % X **26** _____ (Days after Dec 31, 2000 and before Oct 1, 2001) ÷ **73** 92 (Total days) = **27** +
Ontario Allocation

From **10** (or **20**) _____ X**30** 100.0000 % X 12.5 % X **28** 92 (Days after Sept 30, 2001 and before Jan 1, 2003) ÷ **73** 92 (Total days) = **29** +
Ontario Allocation

From **10** (or **20**) _____ X**30** 100.0000 % X 11.0 % X **31** _____ (Days after Dec 31, 2002 and before Jan 1, 2004) ÷ **73** 92 (Total days) = **32** +
Ontario Allocation

Taxable Income Payable (before deduction of tax credits) **25 + 27 + 29 + 32** **40** =

Incentive Deduction for Small Business Corporations (IDSBC)(s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (✓) ☐ Yes ☒ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		**50**
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	**51** +	
Add: Losses of other years deducted for federal purposes (fed.s.111)	**52** +	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	**53** -	
	=	▶ **54**
Federal Business limit for the year before application of fed.s.125(5.1) (not exceeding $200,000) *(Attach T2 SCH 23 if associated)*	**55** +	

Add: Ontario enhancement of federal business limit

Number of days in Taxation Year

40,000 X _____ (Days from **26** above) ÷ **73** 92 (Total Days) X **55** _____ (From) ÷200,000 **42** +

80,000 X 92 (Days from **28** above) ÷ **73** 92 (Total Days) X **55** _____ (From) ÷200,000 **43** +

120,000 X _____ (Days from **31** above) ÷ **73** 92 (Total Days) X **55** _____ (From) ÷200,000 **46** +

Ontario enhancement of federal business limit **42 + 43 + 46** =

44 +

Business Limit for Ontario purposes 55 + 44 = ▶ **45**

Income eligible for the IDSBC From **30** 100.0000 % X **56** _____ **60** =
*Ontario Allocation — Least of **50**, **54** or **45**

***Note**: Ontario Allocation for IDSBC purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

Number of Days in Taxation Year

Calculation of IDSBC Rate	7.5% X **76**	Days after Dec 31, 1999 and before Oct 1, 2001	÷ **73**	Total Days 92	**77** +	
	6.5 % X **28**	Days after Sept 30, 2001 and before Jan 1, 2003 92	÷ **73**	Total Days 92	**79** +	6.5000
	5.5 % X **31**	Days after Dec 31, 2002 and before Jan 1, 2004	÷ **73**	Total Days 92	**89** +	
IDSBC Rate for Taxation Year 77 + 79 + 89					**78** =	6.5000
Claim	From **60**		X From **78**	6.5000 %	**70** =	

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in **114** below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** ***Short Taxation Years*** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

Associated corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** **Taxable income of the corporation**	From **10** (or **20** if applicable)	**80** +
If you are a member of an associated group (✓) **81** ☒ (Yes)		
Taxable income of associated corporations *(Attach schedule)*		**82** +
Aggregate Taxable Income		**85** =

Number of days in Taxation Year

Subtract: 200,000 X **558**	Days before Jan 1, 2001	÷	**73**	Total Days 92	=	**111** +	
240,000 X **26**	Days after Dec 31, 2000 and before Oct 1, 2001	÷	**73**	Total Days 92	=	**112** +	
280,000 X **28**	Days after Sept 30, 2001 and before Jan 1, 2003 92	÷	**73**	Total Days 92	=	**113** +	280,000
320,000 X **31**	Days after Dec 31, 2002 and before Jan 1, 2004	÷	**73**	Total Days 92	=	**115** +	
			111 + 112 + 113 + 115			=	280,000 ▶ **114** - 280,000
(If negative, enter nil)							**86** =

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax	5.0% X **76**	Days after Dec 31, 1999 and before Oct 1, 2001	÷ **73**	Total Days 92	**93** +	
	4.333% X **28**	Days after Sept 30, 2001 and before Jan 1, 2003 92	÷ **73**	Total Days 92	**95** +	4.3330
	3.667% X **31**	Days after Dec 31, 2002 and before Jan 1, 2004	÷ **73**	Total Days 92	**96** +	
Specified rate of surtax for Taxation Year **93 + 95 + 96**					**94** =	4.3330
From **86**	X From **94**	4.3330 % =			**87** =	
From **87**	X From **60**		÷ From **114**	280,000	**88** =	

Surtax: Lesser of **70** or **88** **100** =

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule)* 110 _____

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits 120 + _____

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From **56** - _____

Add: Adjustment for Surtax on Canadian-controlled private corporations
From **100** _____ ÷ From **30** 100.0000 % ÷ From **78** 6.5000 % = **121** _____
*Ontario Allocation

Lesser of **56** or **121** **122** + _____

120 - 56 + 122 **130** = _____

Taxable income From **10** + (358,052)

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From **56** - _____

Add: Adjustments for Surtax on Canadian-controlled private corporations From **122** + _____

Subtract: Taxable income **10** X Allocation % to jurisdictions outside Canada **140** - _____

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses **141** - _____

10 - 56 + 122 - 140 - 141 **142** = _____

Number of Days in Taxation Year

Claim 143 _____ X From **30** 100.0000 % 2.0% X **152** (Days before Oct 1, 2001) _____ ÷ **73** (Total Days) 92 = **153** + _____
*Ontario Allocation

Claim 143 _____ X From **30** 100.0000 % 1.5% X **28** (Days after Sept 30, 2001 and before Jan 1, 2003) 92 ÷ **73** (Total Days) 92 = **154** + _____
*Ontario Allocation

Claim 143 _____ X From **30** 100.0000 % 1.0% X **31** (Days after Dec 31, 2002 and before Jan 1, 2004) _____ ÷ **73** (Total Days) 92 = **155** + _____
*Ontario Allocation

M&P claim for taxation year **153 + 154 + 155** **160** = _____

Note:* *Ontario Allocation for M&P Credit purposes may differ from **30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations 161 = _____

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity 162 = _____

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

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) *(Attach schedule).* 170 _____

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible credit **175** _____ Credit claimed **180** _____

Subtotal of Income Tax **40 - 70 + 100 - 110 - 160 - 161 - 162 -170 - 180** **190** = _____

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible credit from **5620** OITC claim form *(Attach original Claim Form)* **191** +

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible credit from **5798** Summary Schedule F **192** +

Ontario Film and Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible credit from **5899** Claim Form Certified by Ontario Film Development Corp.
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **193** +

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed graduate students. No. of Graduates from **6596** **194**
Eligible Credit from **6598** Summary Schedule G **195** +

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by first-time Canadian authors.
Eligible Credit from **6900** OBPTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** Claim Form certified by Ontario Film Development Corp.
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* **198** +

Ontario Production Services Tax credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.
Eligible Credit from **7300** Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **199** +

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit from **7400** Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **200** +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect to eligible Canadian sound recordings.
Eligible Credit from **7500** OSRTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* **201** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 **220** =

Specified Tax Credits ***Applied to reduce Income Tax*** **225** =

Income Tax **190 - 225 OR Enter NIL if reporting Non-Capital Loss** **230** =

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on ***page 18***.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B on ***Page 8***.

Corporate Minimum Tax (CMT)

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** +	25,349,612		
*** Total Revenue of the corporation**			**241** +	19,641,805
If you are a member of an associated group (✓) **242** ☒ (Yes)				
Total Assets of associated corporations *(Attach schedule)*	**243** +	871,334		
Total Revenue of associated corporations *(Attach schedule)*			**244** +	46,034
Aggregate Total Assets	**249** =	26,220,946		
Aggregate Total Revenue			**250** =	19,687,839

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on pages 19, 20 and 21 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on page 19.)*

Gross CMT Payable CMT Base From **2135** _____ X (If negative, enter zero)	From **30** 100.0000 % X 4% (Ontario Allocation)		**276** =	
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*			**277** -	
Subtract: Income Tax			From **190** -	
Net CMT Payable (if negative, enter Nil on page 18.)			**280** =	

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from ***Page 7*** to ***Income Tax Summary, on Page 18.***
If **280** is less than zero and you have a CMT credit carryover, complete A & B below.
If **280** is greater than or equal to zero, transfer **230** to ***Page 18*** and transfer **280** to ***Page 18, and*** to ***Schedule D: Continuity of CMT Credit Carryovers,*** on ***Page 21.***

CMT Credit Carryover available From **2307** _____

Application of CMT Credit Carryovers

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

Transfer to Page 18

If A & B apply, **310** ***cannot exceed the lesser of*** **230, 300** ***and your CMT credit carryover available*** **2307.**
If only B applies, **310** ***cannot exceed the lesser of*** **230** ***and your CMT credit carryover available*** **2307.**

Capital Tax *(Refer to Guide)*

If your corporation is a Financial Institution (s.58(2)), proceed to page 14.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 13 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets
must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B.15-79, Int.B.L-12 and Int.B.L-16).

Any assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater of** (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a).

Paid-up Capital

Paid-up capital stock			
Retained earnings (if deficit, deduct)	350	+	10,852,444
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	351	±	(254,025)
Loans and advances *(Attach schedule)*	352	+	
Bank loans	353	+	10,967,770
Bankers acceptances	354	+	600,000
Bonds and debentures payable	355	+	
Mortgages payable	356	+	
Lien notes payable	357	+	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporation tax)	358	+	
Contingent, investment, inventory and similar reserves	359	+	770,935
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)*	360	+	
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))*	361	+	91,649
Subtotal	362	+	10,967
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)*	370	=	23,039,740
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	371	-	12,700
Total Paid-up Capital	372	-	
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	380	=	23,027,040
Net Paid-up Capital	381	-	
	390	=	23,027,040

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	+	
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	+	300,000
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	407	+	
Total Eligible Investments	410	=	300,000

Total Assets

Total Assets per balance sheet	420	+	25,336,760
Mortgages or other liabilities deducted from assets	421	+	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	422	+	12,852
Subtract: Investment in partnership(s)/joint venture(s)	423	-	
Total Assets as adjusted	430	=	25,349,612
Amounts in **360** and **361** (if deducted from assets)	440	+	91,649
Subtract: Amounts in **371, 372** and **381**	441	-	12,700
Subtract: Appraisal surplus if booked	442	-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443	±	
Total Assets	450	=	25,428,561

Investment Allowance (410 ÷ 450) X 390 — Not to exceed 410	460	=	271,667
Taxable Capital 390 - 460	470	=	22,755,373

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	4,950,811		
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*			
Aggregate of Gross Revenue	4,950,811	480	4,950,811
Total Assets (as adjusted)	From	430	25,349,612

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2001) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union** that is not a Financial Institution, complete only Section A below.

OR **If the corporation is NOT a member of an associated group and/or partnership,** review only the capital tax calculations in *Section B on pages 10 to 11* and select and complete the one specific subsection (e.g. B4) that applies to the corporation.

OR **If the corporation IS a member of an associated group and/or partnership,** complete Section C on page 12. Next review, and if applicable, complete Section D on page 12. If Section D is not applicable review Section E on page 13 and complete the applicable subsection: either E1 or E2. **Note:** if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.

Enter NIL in **550** on page 13 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership

B1. If the taxation year ends before January 1, 2001 and **430** and **480** are both $1,000,000 or less, enter NIL in **550** on page 13 and complete the return from that point.

B2. If the taxation year end is after December 31, 2000 and **430** and **480** are both $1,500,000 or less, enter NIL in **550** on page 13 and complete the return from that point.

B3. If the taxation year commences after September 30, 2001 and **430** and **480** on page 10 of the 2001 CT23 are both $3,000,000 or less, enter NIL in **550** on page 13 of the 2001 CT23 and complete the return from that point.

B4. If taxable capital, **470** on page 10, is $2,000,000 or less, enter NIL in **550** on page 13 and complete the return from that point.

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

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

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

Deduct:

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

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

(**506 = 490 - 493**) **506** = _____ x From **30** _____ % x **553** _____ = **507** + _____

Ontario Allocation **365/366

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

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

Deduct:

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

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

(**509 = 490 - 495**) **509** = _____ x From **30** _____ % x **558** _____ = **522** + _____

Ontario Allocation ** 365/366

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

(c) Capital Tax for that portion of a taxation year after September 30, 2001 for a corporation whose taxable capital is $5,000,000 or less and that is not associated, is NIL. + 0

Total Capital Tax for the taxation year 507 + 522 **508** = _____

*Transfer to **543** on Page 13 and complete the return from that point.*

B6. If taxable capital, **470** on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount from **508** to **543** on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From **470** _____ x From **30** _____ x 0.3% x **559** _____ **502** + _____

Ontario Allocation

Days in taxation year before October 1, 2001

**365/366

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

(b) + From **470** _____

\- 5,000,000

= **471** _____ x From **30** _____ x 0.3% x **560** _____ **523** + _____

Ontario Allocation

Days in taxation year after September 30, 2001

**365/366

Total Capital Tax for the taxation year 502 + 523 **508** = _____

Transfer to **543** and complete the return from that point

** *If floating taxation year, refer to Guide*

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following, and (✓) **510** ☒ (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation	From **470** +	22,755,373

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)*	**531** +	190,519
Aggregate Taxable Capital **470 + 531**	**540** =	22,945,892

If **540** above is $5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001, is NIL. Enter NIL in **523** in E1(c) or E2(b) as applicable.

If **540** above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the portion of the taxation year after September 30, 2001.

From **470** 22,755,373 ÷ From **540** 22,945,892 X 5,000,000 **541** = 4,958,485

Transfer to Section E2(b)

Calculation 2

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)*	**514** +	
Total Aggregate Taxable Capital **540 + 514**	**520** =	22,945,892

If **520** above is greater than $2,000,000, and less than $3,200,000 and a portion of the taxation year is before October 1, 2001, the corporation must compute the following ratio.

From **470** _____ ÷ From **520** _____ **521** = _____

Transfer to section E1(a) and/or (b) as applicable

Note: 521 cannot exceed 1.00000

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 is *$2,000,000 or less.*

Enter NIL in **550** on page 13 and complete the return from that point.

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 *on page 12, exceeds $2,000,000.*

E1. If aggregate taxable capital **520** exceeds **$2,000,000** but is **$3,200,000 or less**, complete the following calculations and transfer the total from **508** to **543** and complete the return from that point.

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

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

Deduct:

($2,800,000 - From **520** _____) x 0.75% x From **521** _____ = **493** - _____

(**506 = 490 - 493**) **506** = _____

x **30** _____ % x **553** _____ = **507** + _____

Ontario Allocation Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 **365/366

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

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

Deduct:

($3,200,000 - From **520** _____) x 0.5% x From **521** _____ = **495** - _____

(**509 = 490 - 495**) **509** = _____

x **30** _____ % x **557** _____ = **522** + _____

Ontario Allocation Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 **365/366

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

(c) Capital tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital at **540** is $5,000,000 or less, is NIL.

Total Capital Tax for the taxation year 507 + 522 + 523 **523** + 0

508 =

Transfer to **543** and complete the return from that point

E2. If the aggregate taxable capital **520** on page 12, exceeds **$3,200,000** complete the following calculation and transfer the amount from **508** to **543** on this page, and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From **470** 22,755,373 x From **30** 100.0000 x 0.3% x **555** _____ = **502** + _____

Ontario Allocation Days in taxation year before Oct. 1, 2001 365/366

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

(b) + From **470** 22,755,373

- From **541** 4,958,485

471 17,796,888 x From **30** 100.0000 x 0.3% x **560** 92 = **523** + 13,457

Ontario Allocation Days in taxation year after September 30, 2001 = 365/366

Total Capital Tax for the taxation year 502 + 523

** *If floating taxation year, refer to Guide*

508 = 13,457

Transfer to **543** and complete the return from that point

Capital Tax *before application of specified credits*

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*

Capital Tax: 543 - 546

543 = 13,457

546 - _____

550 = 13,457

Transfer to Page 18

I.1. Credit Unions Only

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 13, and complete the return from that point.

I.2 Other than Credit Unions

*(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)*

565 _____ x 0.6% x From **30** _____ % x Days in taxation year **555** _____ ÷ **365/366 = **569** + _____
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation

570 _____ x **571** _____ x From **30** _____ % x Days in taxation year **555** _____ ÷ **365/366 = **574** + _____
Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574 **575** = _____

***** If floating taxation year, refer to Guide***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculations and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments **585** - _____

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (✓) ☐ Yes

Capital Tax - Financial Institutions 575 - 585 **586** = _____

*Transfer to **543** on Page 13*

Premium Tax (s.74.2 & 74.3) *(refer to Guide)*

(1) Uninsured Benefits Arrangements **587** _____ x 2% **588** = _____
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to guide)* **589** - _____

Premium Tax 588 - 589 **590** = _____

Transfer to Page 18

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 600 ± (358,052)

Transfer to Page 16

Add:

Federal capital cost allowance	601 +	299,231
Federal cumulative eligible capital deduction	602 +	10,796
Ontario taxable capital gain	603 +	
Federal non-allowable reserves. Balance beginning of year	604 +	
Federal allowable reserves. Balance end of year	605 +	12,700
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	609 +	
Federal depletion allowance	610 +	
Federal foreign exploration and development expenses	611 +	
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

Number of days in Taxation Year

612 _____ X 5/14.5 X 24 (Days after May 1, 2000 and before Jan 1, 2001) _____ ÷ 73 (Total days) 92 = + 631 _____

612 _____ X 5/14.0 X 26 (Days after Dec 31, 2000 and before Oct. 1, 2001) _____ ÷ 73 (Total days) 92 = + 632 _____

612 _____ X 5/12.5 X 28 (Days after Sept. 30, 2001 and before Jan. 1, 2003) 92 ÷ 73 (Total days) 92 = + 633 _____

612 _____ X 5/11.0 X 31 (Days after Dec. 31, 2002 and before Jan. 1, 2004) _____ ÷ 73 (Total days) 92 = + 634 _____

Total add-back amount for Management fees, etc. 631 + 632 + 633 + 634 = _____ ▶	613 +	
Federal Scientific Research Expenses claimed in year from fed form T661	615 +	
Federal allowable business investment loss	620 +	
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	614 +	
Sub Total of Additions 601 to 615 + 620	=	322,727

640 322,727

Transfer to Page 16

Reconcile net income (loss) for Federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net income (loss) for federal income tax purposes, per federal T2 SCH 1	From 600 ±	(358,052)	
Sub Total of Additions	From 640 =	322,727	

Deduct:

Ontario capital cost allowance	650 +	299,231	
Ontario cumulative eligible capital deduction	651 +	10,796	
Federal taxable capital gain	652 +		
Ontario non-allowable reserves. Balance beginning of year	653 +		
Ontario allowable reserves. Balance end of year	654 +	12,700	
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	659 +		
Ontario research and development super allowance *(Attach schedule)*	660 +		
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	674 +		
Ontario current cost adjustment *(Attach schedule)*	661 +		
Ontario Scientific Research Expenses claimed in year from Ont form CT161	679 +		

Ontario New Technology Tax Incentive (ONTTI) Gross-up
Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year **662** _____

ONTTI Gross-up deduction calculation:

From **662** _____ Gross-up of CCA x 100/ **30** 100.0000 Ontario allocation - From **662** _____ **663** = _____

Workplace Child Care Tax Incentive: (***Applies*** to qualifying expenditures incurred after May 5, 1998)

Qualifying expenditures **665** _____ x 30% x 100/ **30** 100.0000 Ontario Allocation **666** = _____

Workplace Accessibility Tax Incentive: (***Applies*** to qualifying expenditures incurred after July 1, 1998)

Qualifying expenditures: **667** _____ x 100% x 100/ **30** 100.0000 Ontario Allocation **668** = _____

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses made within the 3 year period commencing after May 4, 1999.) *(Refer to Guide)*

Qualifying expenditures **670** _____ x 30% x 100/ **30** 100.0000 Ontario Allocation **671** = _____

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures **672** _____ x 15% x 100/ **30** 100.0000 Ontario Allocation **673** = _____

Ontario allowable business investment loss **678** + _____

Total of other deductions allowed by Ontario *(Attach schedule)* **664** + _____

Sub Total of Deductions 650 to 660 + 674 + 661 + 679 + 663 + 666 + 668 + 671 + 673 + 678 + 664 = 322,727 **680** 322,727

Net income (loss) for Ontario purposes 600 + 640 - 680 **690** = (358,052)

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	701 358,052	711	721	731	741	751 370
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703 358,052	713	723	733	743	753 370
Subtract: Utilized during the year to reduce taxable income	704	715 (4)	724	734 (4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce income (5)	706 (2) To Pg 18	716 (2) To Pg 18	726 (2) To Pg 18	736 (2) To Pg 18	746	
Subtotal	707	717	727	737	747	757
Balance at End of Year	709 358,052	719	729	739	749	759 370

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829** + **839**.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800				850	870
801				851	871
802				852	872
803	820	830	840	853	873
804	821	831	841	854	874
805	822	832	842	855	875
806	823	833	843	856	876
807	824	834	844	857	877
808 2001/09/30	825	835	845	858	878
809 2001/12/31	826 358,052	836	846	859	879
Total	829 358,052	839	849	869	889

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 carryback adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Minister of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Corporation's Account No. (MOF)	Taxation Year Ending	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910 358,052	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.						
i) 3rd preceding	901		911	921	931	941
ii) 2nd preceding	902		912	922	932	942
iii) 1st preceding	903	2001/09/30	913	923	933	943
Total loss to be carried back			From 706	From 716	From 726	From 736
Balance of loss available for carryforward			919 358,052	929	939	949

Summary

Income Tax	From **230** or **320**	+	
Corporate Minimum Tax	From **280**	+	
Capital Tax	From **550**	+	13,457
Premium Tax	From **590**	+	
Total Tax Payable	**950**	=	13,457
Subtract: Payments	**960**	-	13,599
Capital Gains Refund (s.48)	**965**	-	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	**985**	-	
Specified Tax Credits *(Refer to Guide)*	**955**	-	
Balance	**970**	=	(142)
If payment due	Enclosed * **990**		
If overpayment: Refund	**975**	=	
Apply to 2003/12/31	**980**		142 *(Includes credit interest)*

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the MINISTER OF FINANCE*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order.

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
Greg Young

Title
Treasurer

Full Residence Address
2073 Commerce Park Drive

City
Innisfil

Province	Country	Postal Code
ON		L9S 4A2

Signature	Date
	2004/02/10

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Details of Associated Ontario Corporations

Names of associated corporations (Canadian and foreign)	Permanent establishment in Canada?	Ontario Account Number	Taxation Year End
Innisfil Energy Services Limited	Yes	1800333	2001/12/31

Names of associated corporations	Surtax on CCPCs	Corporate Minimum Tax		Capital Tax
	Taxable income	Total Assets	Total Revenue	Taxable Capital
Innisfil Energy Services Limited		871,334	46,034	190,519
Totals	0	871,334	46,034	190,519

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

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Innisfil Hydro Distribution Systems Limited	1800117	2001/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
Innisfil Energy Services Limited	1800333	2001/12/31	
		Total	

*Transfer to **85** on the CT23*

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Innisfil Hydro Distribution Systems Limited	1800117	2001/12/31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Innisfil Energy Services Limited	1800333	2001/12/31	190,519
		Aggregate of taxable capital	190,519

Transfer to **540** of the CT23

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Innisfil Hydro Distribution Systems Limited	1800117	2001/12/31

Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation year end for 120 days or more and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)	
Longterm debt due to the Town	10,579,444
Customer credit balances	88,000
Short-term customer deposits	149,258
Longterm customer deposits	151,068
Total	10,967,770

*Transfer to **353** on the CT23*

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

Paid-Up Capital: Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Innisfil Hydro Distribution Systems Limited	1800117	2001/12/31

Name of Partnership or Joint Venture	Share of Partnership Using Profit Sharing Ratio (%)	Partnership/Joint Venture Paid-up Capital	Corporation's Share of Partnership/Joint Venture Paid-up Capital
The Enerconnect Limited Partnership	1.1293	971,171	10,967
		Total	10,967

*Transfer to **362** on the CT23*

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

Share of Total Assets - Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Innisfil Hydro Distribution Systems Limited	1800117	2001/12/31

Name of Partnership or Joint Venture	Share of Partnership using Profit Sharing Ratio (%)	Partnership/Joint Venture Total Assets	Corporation's Share of Partnership/Joint Venture Total Assets
The Enerconnect Limited Partnership	1.1293	1,138,088	12,852
		Total	12,852

*Transfer to **422** on the CT23*

Ontario Consent Form

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third party representative in matters pertaining to applicable legislation. **Note: This authorization is valid until the client or authorized signing person cancels it in writing. Please complete a separate form for each representative.**

The purpose of this form is:
☐ **To authorize** a third party representative or ☒ **To cancel** a third party representative

1. Client identification

Name
Innisfil Hydro Distribution Systems Limited

Ontario Corporations Tax Account Number 1800117

2. Authorized third party identification

Authorized individuals' name

Address Phone number ( ) -

Authorized firm's name
Deloitte & Touche

Address Phone number ( ) -

3. Details of authorization

Indicate the period for which authorization or cancellation applies:

All years ☒
OR
Specific years
OR
All years prior to

4. Authorized signature (client or authorized signing officer)

Greg Young
Name

(705) 431-4321
Telephone number

2004/02/10
Date signed

Signature of client or authorized signing officer

Treasurer
Position, office or rank

Ontario Consent Form

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third party representative in matters pertaining to applicable legislation. **Note: This authorization is valid until the client or authorized signing person cancels it in writing. Please complete a separate form for each representative.**

The purpose of this form is:
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1. Client identification

Name
Innisfil Hydro Distribution Systems Limited

Ontario Corporations Tax Account Number 1800117

2. Authorized third party identification

Authorized individuals' name

Address

Phone number ( ) -

Authorized firm's name
Grant Thornton LLP

Address
279 Coldwater Rd W Orillia, Ontario L3V 3M1

Phone number
(705) 326-7605

3. Details of authorization

Indicate the period for which authorization or cancellation applies:

All years ☒
OR
Specific years
OR
All years prior to

4. Authorized signature (client or authorized signing officer)

Greg Young
Name

(705) 431-4321
Telephone number

2004/02/10
Date signed

Signature of client or authorized signing officer

Treasurer
Position, office or rank

Ontario tax instalments

Instalment base

Year-end	Estimate for current year 2002/12/31	First instalment base 2001/12/31	Second instalment base 2001/09/30
Taxable income			
Base amount of tax			
Small business tax credit			
Surtax on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
Income tax payable			
Corporate minimum tax payable			
Capital tax payable		13,457	
Premium tax payable			
Total tax payable		13,457	
Days in taxation year	365	92	365
Tax payable adjusted for short taxation years		53,389	
Estimated tax credits for the current year			
Instalment base		53,389	
Monthly payment		4,449	
Quarterly payment		13,347	

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
- ☐ 2. based on the first instalment base
- ☒ 3. based on the first and second instalment base
- ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2002/01/31			
2002/02/28			
2002/03/31	5,339		
2002/04/30	5,339		
2002/05/31	5,339		
2002/06/30	5,339		
2002/07/31	5,339		
2002/08/31	5,339		
2002/09/30	5,339		
2002/10/31	5,339		
2002/11/30	5,339		
2002/12/31	5,339		
Total	53,390		

Detach and return this REMITTANCE FORM with your payment.

Ontario

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

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800117

35
PX5003

INNISFIL HYDRO DISTRIBUTION SYSTEMS
C/O GREG YOUNG, TREASURER
2073 COMMERCE PARK DR

INNISFIL
L9S 4A2 ON

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

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

Keep this portion for your records.

Notice of Assessment

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

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

Account No.	Assessment Date (year, month, day)	Page
1800117	2004/03/08	1 of 1

ASSESSMENT NO. 25

Tax: Federal and Provincial PIL		118,986.00
Assessment Interest		1,825.57
Total Assessment Liability		120,811.57
SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS		
Payments/Transfers		255,611.00CR
Sub-Total	255,611.00CR	
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		134,799.43CR

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

002 PX5003

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide (T4012)*.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

055 Do not use this area

Business number (BN) (item 11) 001 89242 2817 RC 0001

Corporation's name (item 12)
002 INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

PLEASE RETAIN THIS COPY FOR YOUR FILES

Has the corporation changed its name since the last time we were notified? 003 ☐ Yes ☒ No

If *yes*, do you have a copy of the articles of amendment? 004 ☐ Yes ☐ No

Address of head office (item 13)
Has the address changed since the last time we were notified? 010 ☐ Yes ☒ No
011 2073 COMMERCE PARK DR
012
City 015 INNISFIL
Province, territory, or state 016 ON
Country (other than Canada) 017
Postal code/Zip code 018 L9S 4A2

Mailing address (if different from head office address) (item 14)
Has the address changed since the last time we were notified?
020 Yes ☐ No ☒
021 C/o
022 2073 COMMERCE PARK DR
023
City 025 INNISFIL
Province, territory, or state 026 ON
Country (other than Canada) 027
Postal code/Zip code 028 L9S 4A2

Location of books and records (item 15)
031 2073 COMMERCE PARK DR
032
City 035 INNISFIL
Province, territory, or state 036 ON
Country (other than Canada) 037
Postal code/Zip code 038 L9S 4A2

040 Type of corporation at end of taxation year (item 16)
1 ☒ Canadian controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (please specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043

To which taxation year does this return apply? (item 17)
From 060 2002/01/01 to 061 2002/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 ☐ Yes ☒ No

If *yes*, provide date control was acquired 065

Is the corporation a professional corporation that is a member of a partnership? (item 18) 067 ☐ Yes ☒ No

Is this the first year of filing after:
Incorporation? (item 19) 070 ☐ Yes ☒ No
Amalgamation? (item 20) 071 ☐ Yes ☒ No
If *yes*, complete Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)
If *yes*, complete Schedule 24 072 ☐ Yes ☒ No

Is this the final taxation year before amalgamation? (item 22) 076 ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23) 078 ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24) 080 ☒ Yes ☐ No
If *no*, give the country of residence. 081

Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24) 082 ☐ Yes ☒ No
If *yes*, complete Schedule 91

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)
085 1 ☐ Exempt under 149(1)(e) or (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					

T2 E (02) GP13 - **RETAIN ON FILE. DO NOT SUBMIT TO THE CCRA.**

Attachments

Guide item			Yes	Schedule
27	Is the corporation related to any other corporations?	150	☒	9
28	Does the corporation have any non-resident shareholders?	151	☐	19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	☒	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161	☐	49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162	☐	11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	☐	44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	☐	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	☐	15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	☐	T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167	☒	T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168	☐	22
41	Did the corporation have any foreign affiliates during the year?	169	☐	25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170	☐	29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171	☐	T106
47	Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172	☐	-----
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	☒	50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	☒	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202	☐	2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	☐	3
69-76	Is the corporation claiming any type of losses?	204	☒	4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	☐	5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	☐	6
103	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or (ii) is the corporation claiming the refundable portion of Part I tax?	207	☐	7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	☒	8
58	Does the corporation have any property that is eligible capital property?	210	☒	10
59	Does the corporation have any resource-related deductions?	212	☐	12
60	Is the corporation claiming reserves of any kind?	213	☒	13
61	Is the corporation claiming a patronage dividend deduction?	216	☐	16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217	☐	17
150	is the corporation an investment corporation or a mutual fund corporation?	218	☐	18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220	☐	20
118	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221	☐	21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226	☐	26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227	☐	27
121	Is the corporation claiming an investment tax credit?	231	☐	31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232	☐	T661/T665
124	Is the corporation subject to Part 1.3 tax?	233	☒	33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	☒	36
124	Is the corporation claiming a surtax credit?	237	☐	37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	☐	38
128	Is the corporation claiming a Part I tax credit?	242	☐	42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243	☐	43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	☐	45
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249	☐	46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250	☐	39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251	☐	40
128	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	☐	41
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253	☐	T1131

Attachments - Continued from page 2

Guide item		Yes	Schedule
130	Is the corporation subject to Part XIII.1 tax?	☐	92 *
153	Is the corporation claiming a film or video production services tax credit refund?	☐	T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	☐	T1134-A
44	Did the corporation have any controlled foreign affiliates?	☐	T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?	☐	T1135
44	Did the corporation transfer or loan property to a non-resident trust?	☐	T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	☐	T1142
-	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	☐	T1145
-	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	☐	T1146
-	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	☐	T1174

Additional information

Is the corporation inactive? (item 48) 280 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49) 281 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? (item 50) 282
(Only complete if *yes* was entered at line 281.)

If the major activity involves the resale of goods, indicate whether is is wholesale or retail (item 51) 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)

284	Distributor of Electricity	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year? (item 53) 291 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? (item 54) 292 1 Yes ☐ 2 No ☒

Taxable income

	Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)			300 477,228	A
Deduct:	Charitable donations from Schedule 2 (item 78)	311			
	Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	312			
	Cultural gifts from Schedule 2 (item 80)	313			
	Ecological gifts from Schedule 2 (item 81)	314			
	Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320			
	Part VI.1 tax deduction from Schedule 43 (item 83)*	325			
	Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331	358,052		
	Net capital losses of preceding taxation years from Schedule 4 (item 85)	332			
	Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333			
	Farm losses of prior taxation years from Schedule 4 (item 87)	334			
	Limited partnership losses of prior years from Schedule 4 (item 88)	335	370		
	Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340			
	Prospector's and grubstaker's shares (item 90)	350			
	Subtotal		358,422	▶ 358,422	B
	Subtotal (amount A minus amount B) (if negative, enter "0")			118,806	C
Add:	Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)			355	D
	Taxable income (amount C plus amount D) (item 92)			360 118,806	
	Income exempt under paragraph 149(1)(t) (item 93)			370	
	Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)				Z

* If the taxation year ends after December 31, 2002, use "3" Instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the *T2 Corporation Income Tax Guide*.

Small business deduction

Canadian-controlled private corporations throughout the taxation year

Income from active business carried on in Canada from Schedule 7 (item 95)	400	477,228	A
Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96)	405	118,806	B

Calculation of the business limit: (item 97)

for all CCPCs, calculate the amount at line 4 below

$200,000 x	Number of days in the taxation year before 2003 / Number of days in the taxation year	365 / 365 =	200,000	1
$225,000 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	/ 365 =		2
$250,000 x	Number of days in the taxation year in 2004 / Number of days in the taxation year	/ 365 =		3
	Add amounts at line 1, 2, and 3		200,000	4

Business limit (see notes 1 and 2 below)	410	150,000	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 like 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410

Business limit reduction: (item 98)

Amount C 150,000 X **415** *** 27,939 D / 11,250 = 372,520 E

Reduced business limit (amount C minus amount E) (if negative, enter "0")			
Small business deduction - 16% of the least of amounts A, B, C, and F	425	0	F
(enter amount G of line 9 on page 7)	430	0	G

Accelerated tax reduction (item 99)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)		x	=	A
Net active business income (amount from line 400)*				B
Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/4 of line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax (item 96)				
Deduct:				
Aggregate investment income (amount from line 440 of page 6)			C	
Amount C minus amount D (if negative, enter "0")			D	
Amount A, B, or E above, whichever is less			▶	E
Amount Z from Part 9 of Schedule 27				
Amount QQ from Part 13 of Schedule 27		x 100 / 7 =	G	F
Resource allowance (line 346 of Schedule 1)			H	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		x 3 =	I	
Amount on line 400, 405, 410 or 425, whichever is less			J	
Total of amounts G, H, I, J, and K			K	
Amount F minus amount L (if negative, enter "0")			▶	L
Accelerated tax reduction - 7% of amount M				M
(Enter amount N on line 637 of page 7)				N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

General tax reduction for Canadian-controlled private corporations (item 101)

Canadian-controlled private corporations throughout taxation year

Taxable income from line 360 page 3				118,806 A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	B	
Amount QQ from Part 13 of Schedule 27				
Resource allowance (line 346 of Schedule 1)		x 3 =	C	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			D	
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less			E	
Aggregate investment income from line 440 of page 6			F	
Amount used to calculate the accelerated tax reduction (amount M of page 4)			G	
Total of amounts B, C, D, E, F, G, and H			H	
Amount A minus amount I (if negative, enter "0")			▶	I
				118,806 J
Amount J 118,806 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	365	x 1% =	K
Amount J 118,806 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	365	x 3% =	3,564 L
Amount J 118,806 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365	x 5% =	M
Amount J 118,806 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	365	x 7% =	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)				3,564 O

General tax reduction (item 102)

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 on page 3				A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	B	
Amount QQ from Part 13 of Schedule 27				
Resource allowance (line 346 of Schedule 1)		x 3 =	C	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			D	
Total of amounts B, C, D and E			E	
Amount A minus amount F (if negative, enter "0")			▶	F
				G
Amount G x	Number of days in the taxation year in 2001 / Number of days in the taxation year		x 1% =	H
Amount G x	Number of days in the taxation year in 2002 / Number of days in the taxation year		x 3% =	I
Amount G x	Number of days in the taxation year in 2003 / Number of days in the taxation year		x 5% =	J
Amount G x	Number of days in the taxation year after 2003 / Number of days in the taxation year		x 7% =	K
General tax reduction - total of amounts H, I, J and K (enter amount L on line 639 of page 7)				L

Refundable portion of Part I tax (item 103)

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (Amount P from Part 1 of Schedule 7)	440		X 26 2/3 % =		
Foreign non-business income tax credit from line 632 on page 7					A
Deduct:					
Foreign investment income (Amount O from Part 1 of Schedule 7)	445		X 9 1/3 % =		
Amount A **minus** amount B (if negative, enter "0")			(if negative, enter "0")		B
Taxable income from line 360 on page 3					C
Deduct:				118,806	
Least of amounts on lines 400, 405, 410, and 425 on page 4					
Foreign non-business income tax credit from line 632 on page 7		x 25/9 =			
Foreign business income tax credit from line 636 on page 7		x 10/4 =			
Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)				118,806 X 26 2/3% =	31,682 D
Deduct corporate surtax from line 600 on page 7				31,032	
Net amount				1,331	
Refundable portion of Part I tax - the least of amounts C, D, and E				29,701	29,701 E
				450	0 F

Refundable dividend tax on hand (item 104)

Refundable dividend tax on hand at the end of the preceding tax year	460		
Deduct dividend refund for the previous taxation year	465		
Add the total of:			
Refundable portion of Part I tax from line 450 above			A
Total Part IV tax payable from line 360 on page 2 of Schedule 3			
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation			
	480		
Refundable dividend tax on hand at the end of the taxation year - amount A plus amount B			B
		485	0

Dividend refund (item 105)

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3			
Refundable dividend tax on hand at the end of the taxation year from line 485 above		X 1/3	A
Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8)			B
			0

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106)

Corporate surtax calculation (item 107)

Base amount from line A above				550	45,146	A
Deduct:						
10% of taxable income (line 360 or amount Z, whichever applies) from page 3			45,146	1		
Investment corporation deduction from line 620 below			11,881	2		
Federal logging tax credit from line 640 below				3		
Federal qualifying environment trust tax credit from line 648 below				4		
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:				5		
28% of taxable income from line 360 on page 3						
28% of taxed capital gains		a				
Part I tax otherwise payable (line A **plus** line C and D **minus** line F)		b		6		
Total of lines 2 to 6		29,701 c				
Net amount (line 1 minus line 7)			11,881	7		
Corporate surtax - 4% of the amount on line 8			33,265	8		
Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108)				600	1,331	B
Calculation for the refundable tax on Canadian-controlled private corporation's investment income (for a CCPC throughout the taxation year) (item 109)				602		C
Aggregate investment income from line 440 on page 6						
Taxable income from line 360 on page 4	118,806			i		
Deduct:						
The least of amounts on lines 400, 405, 410, and 425 on page 4						
Net amount						
Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amounts i or ii	118,806 ▶		118,806	ii		
Subtotal (add lines A, B, C, and D)				604		D
Deduct:					46,477	E
Small business deduction from line 430 on page 4						
Federal tax abatement (item 110)		608	11,881	9		
Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111)		616				
Investment corporation deduction (item 112)		620				
(Taxed capital gains 624)						
Additional deduction - credit unions from Schedule 17 (item 113)		628				
Federal foreign non-business income tax credit from Schedule 21 (item 114)		632				
Federal foreign business income tax credit from Schedule 21 (item 115)		636				
Accelerated tax reduction from amount N of page 4 (item 116)		637				
General tax reduction for CCPC's from amount O of page 5 (item 117)		638				
General tax reduction from amount L of page 5 (item 117)		639	3,564			
Federal logging tax credit from Schedule 21 (item 118)		640				
Federal political contribution tax credit (item 119)		644				
Federal political contributions 646						
Federal qualifying environmental trust tax credit (item 120)		648				
Investment tax credit from Schedule 31 (item 121)		652				
Subtotal			15,445 ▶			
Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 122)					15,445	F
					31,032	G

Summary of tax and credits

Federal tax

Part I tax payable from page 7 (item 123)	700	31,032
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704	26,897
Part II surtax tax payable from Schedule 46 (item 125)	708	
Part IV tax payable from Schedule 3 (item 126)	712	
Part IV.1 tax payable from Schedule 43 (item 127)	716	
Part VI tax payable from Schedule 38 (item 128)	720	
Part VI.1 tax payable from Schedule 43 (item 129)	724	
Part XIII.1 tax payable from Schedule 92 (item 130)	727	
Part XIV tax payable from Schedule 20 (item 131)	728	
Total federal tax		57,929

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 132) 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147)	765	
Total tax payable	770	57,929 A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 148)	780	
Dividend refund from Page 4 (items 149)	784	
Federal capital gains refund from Schedule 18 (item 150)	788	
Federal qualifying environmental trust tax credit refund (item 151)	792	
Canadian film or video production tax credit refund from Form T1131 (item 152)	796	
Film or video production services tax credit refund from Form T1177 (item 153)	797	
Tax withheld at source (item 154)	800	
Total payments on which tax has been withheld (item 154) 801		
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804	
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808	
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812	
Royalties deductible under Syncrude Remission Order 815		
Tax remitted under Syncrude Remission Order (item 158)	816	
Tax instalments paid (item 159)	840	57,929
Total credits	890	57,929
Balance (line A minus line B)		57,929 B
		0 I

Refund Code (item 160) 894 2 Overpayment (item 163)

Direct Deposit Request (item 164)

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information

910 Branch number

914 Institution number 918 Account number

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid (item 163)

Enclosed payment (item 162) 898

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? (item 161) 896 1 Yes ☐ 2 No ☒ NA ☐

Certification (item 165)

950 YOUNG Surname 951 GREG First name 954 Treasurer Position, office or rank

955 2004/02/10 Date 956 (705) 431-4321 Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 Name 959 ( ) - Telephone number

Language of correspondence - Langue de correspondance (item 166)

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

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NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements				A	333,100
Add:					
Provision for income taxes - current		101	112,000		
Amortization of tangible assets		104	1,421,786		
Amortization of intangible assets		106	18,926		
Income/loss for tax purposes - joint ventures/partnerships		109	4,083		
Non-deductible meals and entertainment expenses	2,000 X 50%	121	1,000		
Tax reserves deducted in prior year - Schedule 13		125	12,700		
Total of fields 201 to 294		199	498,043		
Total of fields 101 to 199		500	2,068,538	▶	2,068,538
Deduct:					
Capital cost allowance - Schedule 8		403	1,336,459		
Cumulative eligible capital deduction - Schedule 10		405	42,523		
Tax reserves claimed in current year - Schedule 13		413	43,357		
Total of fields 300 to 394		499	502,071		
Total of fields 401 to 499		510	1,924,410	▶	1,924,410
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)					477,228
Add:					
Other additions:					
602 Capital Tax booked in 2002		292	49,900		
603 Par. 12 (1)(x) contributions capitalized on F/S		293	448,143		
Total of fields 201 to 294 (Enter this amount at line 199)			498,043		

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Deduct:

Other deductions:

700	Ss. 13(7.4) election re Contributions in aid of construction	**390**	448,143
701	Ontario Capital Tax in 2002 per CT 23	**391**	53,928
	Total of fields 300 to 394 (Enter this amount at line 499)		502,071

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NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Schedule 4

Part 1 - Non-capital loss

Non-capital loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31	358,052						
2002/12/31							
Totals	358,052					358,052	
						358,052	

Current year non-capital loss

Net income (loss) for income tax purposes		477,228
Deduct:		
Net capital losses deducted in the year		
Taxable dividends deductible under sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)		
	Subtotal - if positive, enter "0"	
Deduct: Section 110.5 - addition for foreign tax credits		
Add: Current year farm loss		
Current year non-capital loss (if positive, enter "0")		

Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year		358,052		
Losses expired after 7 years	100 -			
Non-capital losses - beginning balance	102 =	358,052		
Transfers from wind-up of wholly-owned subsidiary and amalgamation				358,052
Current year non-capital loss from above			105 +	
Deduct - Non-capital loss carry back to:	110			
1st preceding taxation year against taxable income	901			
2nd preceding taxation year against taxable income	902			
3rd preceding taxation year against taxable income	903			
1st preceding taxation year against taxable dividends subject to Part IV tax	911			
2nd preceding taxation year against taxable dividends subject to Part IV tax	912			
3rd preceding taxation year against taxable dividends subject to Part IV tax	913			
Current year non-capital loss net of carryback				
			+	
Deduct:		Subtotal	=	358,052
Amount applied against taxable income (enter on line 331 of T2 return)	130	358,052		
Amount applied against dividends subject to Part IV tax	135			
Section 80 adjustments	140			
Other adjustments	150			
Non-capital losses - ending balance		358,052	-	358,052
			180 =	

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator

Loss from a wholly-owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year. 190 ☐ Yes

T2 SCH 4N (01) GP13 - RETAIN ON FILE. DO NOT SUBMIT TO THE CCRA.

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 2 - Farm loss

Farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Farm loss continuity and carry-back request

Farm losses at end of preceding taxation year				
Losses expired after 10 years				
Farm losses - beginning balance	300	-		
Transfers from wind-up of wholly-owned subsidiary and amalgamation	302	=		
Current year farm loss			305	+
Deduct - Farm loss carry back to:	310			
1st preceding taxation year against taxable income	921			
2nd preceding taxation year against taxable income	922			
3rd preceding taxation year against taxable income	923			
1st preceding taxation year against taxable dividends subject to Part IV tax	931			
2nd preceding taxation year against taxable dividends subject to Part IV tax	932			
3rd preceding taxation year against taxable dividends subject to Part IV tax	933			
Current year farm loss net of carry-back	Subtotal			
				+
Deduct:			Subtotal	=
Amount applied against taxable income (enter on line 334 of T2 return)	330			
Amount applied against dividends subject to Part IV tax	335			
Section 80 adjustments	340			
Other adjustments	350			
Farm losses - ending balance				-
			380	=

NON-CAPITAL LOSS CONTINUITY AND CARRY BACK

Part 3 - Restricted farm loss

Restricted farm loss continuity by year

Year of origin	Balance at end of prior year	Transfers on amalgamation or wind-up	Section 80 adjustments	Other adjustments	Current year loss net of carry-back	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
Totals							

Current year restricted farm loss

Net loss from farming business			485
Deductible farm loss:			
Net loss from above	A		
$2,500 plus 1/2 (A - $2,500)	B	2,500	
Maximum deduction	C	8,750	
Deductible farm loss (lesser of A, B, and C)			-
Current year restricted farm loss			

Restricted farm loss continuity and carry-back request

Restricted farm losses at end of preceding taxation year			
Losses expired after 10 years	400	-	
Restricted farm losses - beginning balance	402	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			405 +
Current year restricted farm loss (enter on line 233 of Schedule 1)	410		
Deduct - Restricted farm loss carry back to:			
1st preceding taxation year against farming income	941		
2nd preceding taxation year against farming income	942		
3rd preceding taxation year against farming income	943		
Current year restricted farm loss net of carry-back			
Deduct:			+
Amount applied against taxable income (enter on line 333 of T2 return)	430		
Section 80 adjustments	440		
Other adjustments	450		
Restricted farm losses - ending balance			-
			480 =

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LIMITED PARTNERSHIP LOSSES

Schedule 4

Current year limited partnership losses

	1 Partnership identifier 600	2 Fiscal period ending 602	3 Corporation's share of limited partnership loss 604	4 Corporation's at risk amount 606	5 Corp's share of partnership ITC, farming losses and resource expenses 608	6 Column 4 - 5 if negative, enter "0"	7 Current year limited partnership losses Column 3 - 6 620
1	Enerconnect	2002/12/31		2,544		2,544	
2							
					Total (enter this amount on Schedule 1)		

Limited partnership losses from prior taxation years that may applied in the current year

	1 Partnership identifier 630	2 Fiscal period ending 632	3 Limited partnership losses at end of preceding taxation year 634	4 Corporation's at risk amount 636	5 Corp's share of partnership ITC, business/property losses & resource expenses 638	6 Column 4 - 5 if negative, enter "0"	7 Limited partnership losses that may be applied in the year The lesser of columns 3 and 6 650
1	Enerconnect	2002/12/31	370	2,544		2,544	370
2							

Continuity of limited partnership losses that can be carried forward to future taxation years

	Partnership identifier 660	Losses at end of preceding taxation year 662	Losses transferred from amalgamation or wind-up of subsidiary 664	Current year limited partnership loss (from column 620) 670	Limited partnership losses applied (cannot exceed 650) 675	Limited partnership losses closing balance 680
1	Enerconnect	370			370	
2						
				Total (enter this amount on line 335 of the T2 return)	370	

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CAPITAL COST ALLOWANCE

Schedule 8

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

1 Class **200**	2 UCC at start of year **201**	3 Cost of additions in the year **203**	4 Net adjustments **205**	5 Proceeds of dispositions in the year **207**	7 Adjustment for additions (1/2 x (col 3 - 5)) **211**	8 Base amount for CCA	9 Rate % **212**	10 CCA for the year (col 8 x 9 or a lower amount) **217**	11 Recapture of CCA **213**	12 Terminal loss **215**	13 UCC at the end of the year **220**
1	19,518,370	907,197	(448,143)		453,599	19,523,825	4	780,953			19,196,471
8	668,107	173,113			86,557	754,663	20	150,933			690,287
10	173,032	52,095			26,048	199,079	30	59,724			165,403
12	261,456	166,786			83,393	344,849	100	344,849			83,393
Totals	20,620,965	1,299,191	(448,143)		649,597	20,822,416		1,336,459			20,135,554

T2 SCH 8 (99) GP13 - **RETAIN ON FILE. DO NOT SUBMIT TO THE CCRA.**

S8Supp

Reconciliation of NBV and UCC

NBV of capital assets, beginning of year		21,721,389		
Less: Land		1,145,555		
NBV of depreciable capital assets, beginning of year		20,575,834		20,575,834
UCC beginning of year				20,620,965
Timing difference, beginning of year				(45,131) A
CCA and amortization				
CCA claimed		+ 1,336,459		
Terminal loss		+		
Recapture		-		
Amortization per financial statements		- 1,421,786		
Class 10.1				
Difference on purchase (cost _____ less ceiling _____)		+		
Beginning UCC less CCA in year of disposal		+		
NBV of class 10.1 asset prior to sale (proceeds, if financial statement gain)		-		
Gains and losses				
Gain on disposal of capital assets per financial statements		+		
Capital loss portion of total loss		+		
Loss on disposal of capital assets per financial statements		-		
Capital gain portion of total gain		-		
Other				
Operating leases capitalized for financial statement purposes				
Deductible items capitalized for financial statement purposes				
Section 85 difference				
Pre-valuation day depreciation				
Timing difference, current year		(85,327)	+	(85,327) B
Timing difference, end of year (A + B)				(130,458) C
Proof				
NBV of capital assets, end of year		21,140,217		
Less: Land		1,135,120		
NBV of depreciable capital assets, end of year		20,005,097		20,005,097
UCC end of year		20,135,554		
Less: Ending Class 14 balance		-		
Adjusted UCC		= 20,135,554	=	20,135,554
Timing difference as at 2002/12/31 (amount D should equal amount C)				(130,457) D

Notes

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RELATED AND ASSOCIATED CORPORATIONS

Schedule 9

This form is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name 100	Country (if not Canada) 200	Business # (Canadian corporation only) 300	Code note 1 400	Common shares # owned 500	Common shares % owned 550	Preferred shares # owned 600	Preferred shares % owned 650	Book value of capital stock 700
Innisfil Energy Services Limited		86556 4595 RC 0001	3					
		RC	0					

Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Schedule 10

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

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - balance at beginning of taxation year (if negative, enter nil)				200 601,098	A
Add:					
Cost of eligible capital property acquired during the taxation year	222	8,491	B		
Transfer from predecessor or subsidiary corporation	224		C		
Other adjustments	226		D		
(add amounts B, C, and D)		8,491	x 3/4 =	6,368	E
Subtotal (amount A **plus** amount E)				230 607,466	F
Deduct:					
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242		G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H		
Other adjustments	246		I		
(add amounts G, H, and I)			x 3/4 =	248	J
Cumulative eligible capital balance (amount F **minus** amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)				607,466	K
Current year deduction (Deduct amount L on line 405 of Schedule 1)	amount K	607,466	x 7% =	250 42,523	L
Cumulative eligible capital balance at the end of the taxation year				300 564,943	M

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

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

(complete this part only if line K is negative)

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

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

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

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CONTINUITY OF RESERVES

Schedule 13

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 - Capital gains reserves

Description of property 001	Balance at the beginning of the year 002	Transfer on wind-up or amalgamation 003	Balance at the end of the year 004
Totals	008	009	010

The total capital gains reserve at the beginning of the taxation year plus the total transfer on wind-up or amalgamation should be entered on line 880, and the total capital gains reserve at the end of the taxation year should be entered on line 885 of Schedule 6.

Part 2 - Other reserves not deducted for accounting purposes

Description of property	Balance at the beginning of the year	Transfer on wind-up or amalgamation	Balance at the end of the year
Reserve for doubtful debt	110	115	120
Reserve for undelivered goods and services not rendered	130	135	140
Reserve for prepaid rent	150	155	160
Reserve for December 31, 1995 income	170	175	180
Reserve for returnable containers	190	195	200
Reserve for unpaid amounts	210	215	220
Other tax reserves *	230 12,700	235	240 43,357
Totals	270 12,700	275	280 43,357

The amount from line 270 plus the amount from line 275 should be included on line 125 of Schedule 1 as an addition.
The amount from line 280 should be included on line 413 of Schedule 1 as a deduction.

Part 3 - Accounting reserves not deductible for tax purposes

Description of property	Balance at the beginning of the year	Balance at the end of the year
Totals	A	B

Enter amount A on line 414 of Schedule 1 as a deduction.
Enter amount B on line 126 of Schedule 1 as an addition.

* 2001 Transition costs $12,700
2002 Transition costs 30,657
$43,357

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AGREEMENT AMONG ASSOCIATED CCPCs TO ALLOCATE THE BUSINESS LIMIT

Schedule 23

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.
Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").
Column 3: Enter the code that applies to each corporation:
1 - associated for purposes of allocating the business limit (unless association code 5 applies)
2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction.
3 - non-CCPC that is "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"
Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 cannot exceed $200,000.
Column 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Allocation of the business limit

Date filed (for departmental use only) 025

Enter the calendar year to which the agreement applies 050 2002

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? 075 ☐ 1 Yes ☒ 2 No

1 Names of associated corporations 100	2 Business Number 200	3 Association code 300	4 Allocation of business limit * 400	5 Year end to which this agreement applies 500
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	89242 2817 RC 0001	4	150,000	
Innisfil Energy Services Limited	86556 4595 RC 0001	4	50,000	
	RC	0		
	RC	0		
		TOTALS	$ 200,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. $ 150,000

Names of all the corporations in the group	Last taxation year ending in the preceding calendar year				Current year
	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part I.3 tax for business limit reduction	Grossed-up reduced business limit
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIM				27,636	
Innisfil Energy Services Limited	5,930	23,526	50,410	303	
TOTALS	$ 5,930	$ 23,526	$ 50,410	$ 27,939	$

* Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 364.

Reduction to the business limit under subsection 125(5.1)

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

Note: If the taxation year of any of the associated corporations was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

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PART I.3 TAX ON LARGE CORPORATIONS

Schedule 33

- 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* within six months from the end of the taxation year.

Filing date (for departmental use only) 100

Complete the following areas to determine the amounts needed to calculate Part 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				
Capital stock (or members' contributions if incorporated without share capital)	101			
Retained earnings	103	10,852,444		
Contributed surplus	104	79,075		
Any other surpluses	105			
Deferred unrealized foreign exchange gains	106	788,808		
All loans and advances to the corporation	107			
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations	108	11,821,369		
Any dividends declared but not paid by the corporation before the end of the year	109			
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	110			
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)	111			
	112			
Subtotal		23,541,696	23,541,696	A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121			
Any deficit deducted in computing the shareholders' equity	122			
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above.	123			
The amount of deferred unrealized foreign exchange losses	124			
Subtotal				
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		23,541,696	B

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 I.3 TAX ON LARGE CORPORATIONS

Part 2 - Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	996,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	
An interest in a partnership (see note 1)	407	
Investment allowance for the year	490	996,000

Part 3 - Taxable capital

Capital for the year (line 190)		23,541,696	C
Deduct: Investment allowance for the year (line 490)		996,000	D
Taxable capital for the taxation year (amount C minus amount D) (if negative, enter "0")	500	22,545,696	

Part 4 - Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 22,545,696 x $\frac{\text{Taxable income earned in Canada}}{\text{Taxable income}}$ 610 $\frac{118,806}{118,806}$ = 690 22,545,696

Notes: 1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2) Where a corporation's taxable income for a taxation year is "0" it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3) In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	701		
Deduct the following amounts:			
Corporation's indebtedness at the end of the year (other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)) that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711		
Total of all amounts each of which is the carrying value at the end of the year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	712		
Total amount of carrying value at the end of the year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713		
Total deductions (add lines 711, 712, and 713)			E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790		

PART I.3 TAX ON LARGE CORPORATIONS

Part 5 - Calculation of gross Part I.3 tax

Taxable capital employed in Canada for the year (line 690 or 790, whichever applies)			22,545,696
Deduct: Capital deduction claimed for the year (Enter $10,000,000 or the amount allocated)		801	10,000,000
Excess of taxable capital employed in Canada over capital deduction		811	12,545,696
Gross Part I.3 Tax: Line 811 12,545,696 x .00225 =			28,228 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:
Amount F _____ X Number of days in the year (_____) / 365 = _____ G

Gross Part I.3 tax for purposes of the unused surtax credit (Amount F or G, whichever applies)		820	28,228
Taxable capital employed in Canada for the year (line 690 or 790, whichever applies)			22,545,696 ✓
Deduct: Capital deduction claimed for the year (enter the amount allocated on Schedule 36)			10,000,000 ✓
Excess of taxable capital employed in Canada over capital deduction			12,545,696
Excess 12,545,696 x Number of days in the taxation year before 2004 / Number of days in the taxation year	365 / 365 x 0.00225 =		28,228
Excess 12,545,696 x Number of days in the taxation year in 2004 / Number of days in the taxation year	_____ / 365 x 0.00200 =		_____
	Subtotal		28,228

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:
Subtotal _____ X Number of days in the year (_____) / 365 = _____

Gross Part I.3 tax		28,228

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) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, the lesser of a and b, below:

a) line 600 from the T2 return		1		
b) line 700 from the T2 return		2		
Lesser of lines 1 and 2				H
In any other case, the lesser of lines c and d below:				
c) line 600 from your T2 return	1,331 x (line 690 / line 500)	3	1,331	
d) line 700 from the T2 return		4	31,032	
Lesser of lines 3 and 4			1,331	1,331 I
Current year surtax credit available (amount H or I, whichever applies)			830	1,331

Part 7 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		1,331
Less: Gross Part I.3 tax (line 820)		28,228
Current-year unused surtax credit (if negative, enter "0") Enter this amount at line 600 on Schedule 37	850	

Part 8 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)				
Deduct: the following amounts:				28,228 J ✓
Current year surtax credit applied (the lesser of lines 820 and 830)	861	1,331		
Unused surtax credit from prior years applied	862			
Subtotal (cannot exceed amount on line 820)		1,331		
Net Part I.3 tax payable (amount J minus amount K) Enter this amount at line 704 of the T2 return			870	1,331 K ✓
				26,897

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AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

Schedule 36

- Members of a related group of corporations should use this schedule to allocate the capital deduction 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.**
- 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.

Date filed (for departmental use only)	010	
Is this an amended agreement?	020	☐ 1 Yes ☒ 2 No
Enter the calendar year to which the agreement applies	030	2002

AGREEMENT

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 **200**	Business number **300**	Allocation of capital deduction for the year **400**	Taxation year-end to which this agreement applies * **500**
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	89242 2817 RC 0001	10,000,000	2002/12/31
INNISFIL ENERGY SERVICES LIMITED	86556 4595 RC 0001	0	2002/12/31
	RC	0	yyyy/mm/dd
	TOTAL	$ 10,000,000	

* 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 another corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

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SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder **100**	Business Number * **200**	Social Insurance Number * **300**	Percentage common shares **400**	Percentage preferred shares **500**
Town of Innisfil	NR		100.000	
	RC			

* If the shareholder is a trust, enter NR at field 200 or NA at field 300.

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BUSINESS CONSENT FORM

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 – Consent to release of information to a representative

Client's name: INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED Business Number: 892422817

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Grant Thornton LLP

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

(705) 326-7605
Representative's telephone number

(705) 326-0837
Representative's fax number

Part 2 – Details of consent

A. Which accounts?

I request that this consent apply to all accounts. ☒ OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 ☐	RC _____	RC _____
GST/HST	RT0001 ☐	RT _____	RT _____
Payroll deductions	RP0001 ☐	RP _____	RP _____
Import/Export	RM0001 ☐	RM _____	RM _____

B. Which years?

I request that this consent apply to all years. ☒ OR

I request that this consent apply only to the following years:

1. All year-ends up to: _____
2. All year-ends beginning in: _____ and all years after that.
3. The following year-ends only: _____ _____
   _____ _____

BUSINESS CONSENT FORM

Part 3 – Cancellation of consent to release of information to a representative

Client's name: INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED Business Number: 892422817

I cancel all previous consents for all representatives. ☒ OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

( ) -
Representative's telephone number

( ) -
Representative's fax number

Part 4 – Details of cancellation of consent

A. Which accounts?

I request that this cancellation of consent apply to all accounts. ☒ OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001 ☐	RC	RC
GST/HST	RT0001 ☐	RT	RT
Payroll deductions	RP0001 ☐	RP	RP
Import/Export	RM0001 ☐	RM	RM

B. Which years?

I request that this consent apply to all years. ☒ OR

I request that this consent apply only to the following years:

1. All year-ends up to:
2. All year-ends beginning in: and all years after that.
3. The following year-ends only:

Part 5 – Signature

Print your name GREG YOUNG Title Treasurer

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here ▶ Date 2004/02/10

TaxPaid

Tax instalments paid

Jurisdiction	Description	Date	Amount
Federal	Instalment	2003/06/30	57,929
Ontario	Instalment	2003/06/30	197,682
Federal			
		Total	255,611

* Enter Québec instalments paid on form CO-1027.VE

Summary by jurisdiction

Federal	57,929	Manitoba	
British Columbia		Ontario	197,682
Alberta			
Saskatchewan			

Federal tax instalments

Instalment base

Year-end	Estimate for current year 2003/12/31	First instalment base 2002/12/31	Second instalment base 2001/12/31
Taxable income		118,806	
Base amount of Part I tax		45,146	
Corporate surtax		1,331	
Refundable tax on CCPC's investment income			
Small business deduction			
Federal tax abatement		11,881	
Manufacturing and processing profits deduction			
Foreign tax credits			
Tax reductions		3,564	
Political contribution tax credit			
Investment tax credit			
Other credits			
Part I tax payable		31,032	
Part I.3 tax payable		26,897	
Part VI tax payable			
Part VI.1 tax payable			
Net provincial or territorial tax payable			
Total tax payable		57,929	
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years		57,929	
Estimated credits for the current year:			
Investment tax credit refund			
Dividend refund			
Other			
Total estimated credits			
Instalment base		57,929	
Monthly payment		4,827	

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
- ☐ 2. based on the first instalment base
- ☒ 3. based on the first and second instalment base
- ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2003/01/31			
2003/02/28			
2003/03/31	5,793		
2003/04/30	5,793		
2003/05/31	5,793		
2003/06/30	5,793		
2003/07/31	5,793		
2003/08/31	5,793		
2003/09/30	5,793		
2003/10/31	5,793		
2003/11/30	5,793		
2003/12/31	5,793		
Total	57,930		

Summary

Tax Summary

Tax year ending 2002/12/31

Taxable income

Net income for tax purposes		477,228
Charitable donations and gifts	-	
Taxable dividends	-	
Losses of prior years	-	358,422
Other adjustments	±	
Taxable income	=	118,806

Part I tax

38% of taxable income			45,146
Surtax		+	1,331
Refundable tax on CCPC investment income		+	
Active business income	477,228		
Small business deduction		-	
Federal tax abatement		-	11,881
Manufacturing and processing deduction		-	
Foreign tax credits		-	
Political contribution tax credit		-	
Investment tax credit		-	
Other deductions and credits		-	3,564
Part I tax		=	31,032

Tax payable

Part I tax		31,032
Part I.3 tax (large corporations tax)	+	26,897
Taxable dividends received		
Part IV tax	+	
Other federal tax payable	+	
Subtotal	=	57,929
Provincial and territorial tax (except QC,ON,AB)	+	
Provincial tax on large corporations (NB,NS)	+	
Tax payable	+	57,929
Tax instalments paid	-	57,929
Investment tax credit refund	-	
Taxable dividends paid		
Dividend refund	-	
Other refundable credits	-	
Balance owing (refund) on federal return	=	
Provincial income tax (ON,AB,QC)		7,129
Capital and other provincial taxes	+	53,928
Tax instalments and credits	-	197,682
Other provincial taxes	=	(136,625)
Total balance owing (refund)		(136,625)

Provincial tax

	Taxable income	Income tax	Capital and other provincial taxes	Tax instalments and credits	Net provincial tax
Newfoundland					
Prince Edward Island					
Nova Scotia					
New Brunswick					
Manitoba					
Saskatchewan					
British Columbia					
Yukon Territory					
Northwest Territories					
Schedule 5 provincial tax payable					
Ontario	118,806	7,129	53,928	197,682	(136,625)
Alberta					
Québec					
Totals		7,129	53,928	197,682	(136,625)

Loss carryforwards

Capital	
Non-capital	
Farm	
Restricted farm	
Limited partnership	
Listed personal property	

Other carryforwards

Capital dividend account	
Refundable dividend tax on hand (net of dividend refund)	
Unused Part 1.3 tax credit	
Unused surtax credits	
Foreign business tax credits	
Donations and gifts	
Investment tax credits	

CT23:353: Loans and advances

Due to the Town	10,279,444	+
Customer and retailer deposits	545,925	=
Total	10,825,369	+

CT23:361: Other reserves

UCC	20,135,492	+
CEC	564,943	+
CEC permanent difference	206,088	+
NBV	-17,935,545	+
Less: Land	484,399	+
Regulatory Assets	-188,217	+
Appraisal Increment	-3,166,455	+
Amortization Appraisal Increment	241,569	=
Total	342,274	

CT23:371: Line 371

Deductible Regulatory Assets	43,357	=
Total	43,357	

NBV of capital assets, beginning of year

NBV Dec 31/01	18,544,739	+
Appraisal Increment	3,016,455	+
Regulatory Assets to S. 8	160,195	=
Total	21,721,389	

Less: Land

Land	484,399	+
Land Rights (ECP)	561,156	+
Appraisal Increment to Land	100,000	=
Total	1,145,555	

NBV of capital assets, end of year

NBV, Dec 31/02	17,935,545	+
Appraisal Increment for tax only	3,016,455	+
Regulatory Assets to S.8	188,217	=
Total	21,140,217	

Less: Land

Land	484,399	+
Appraisal Increment to Land	100,000	+
Land Rights (ECP)	550,721	=
Total	1,135,120	

S13:240: Other reserves - ending balance

2001 transition costs	12,700	+
2002 transition costs	30,657	=
Total	43,357	

S33:108: Loans and advances

Debenture payable to Town	8,172,000	+
Note payable to Town	2,107,444	+
Bank Loan	996,000	+
Customer and retailer deposits	545,925	=
Total	11,821,369	

INNISFIL HYDRO DISTRIBUTION SYSTEMS
Business Number 89242 2817 RC0001
December 31, 2002

ELECTION UNDER SUBSECTION 13(7.4) OF THE INCOME TAX ACT (CANADA)

The company hereby elects under subsection 13(7.4) of the Income Tax Act (Canada) to reduce the capital cost of the depreciable property of class 1, acquired in the taxation year, by an amount of $448,143, received in the taxation year, that would otherwise be included in income under paragraph 12(1)(x).

_____
Authorized Signing Officer

Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada

STATEMENT OF PARTNERSHIP INCOME
ÉTAT DES REVENUS D'UNE SOCIÉTÉ DE PERSONNES

T5013

01 Fiscal period / Exercice: 2002 12
02 Partnership's name
03 Business number
04 Partnership's identification number
05 Tax shelter
X
06 Tax code: 1
07 Business code: 1225
08 Tax shelter identification number
09 Country code: CAN
10 Number of partners
11 Partnership's fiscal period
12 Total partnership income: 36,000.0000
13 Allocation factor: 1.1913
14 Code: 3
15 Partner's name
16 Partner's address

INNISFIL HYDRO DISTRIBUTION
SYSTEMS LTD.
2073 COMMERCE PARK DRIVE
INNISFIL, ON
L9S 4A2

THE ENERCONNECT LIMITED PARTNERSHIP
BARRY CONWAY
2300 YONGE STREET - STE # 408
P.O. BOX 2408
TORONTO, ON M4P 1E4

Section 1 - Partnership Information - Renseignements sur une société de personnes

18 Canadian and foreign net business income (loss) / Revenu net (perte nette) d'entreprise canadien et étranger: 4,082.56	19 Foreign net business income (loss) / Revenu net (perte nette) d'entreprise étranger	20 Canadian and foreign net rental income (loss) / Revenu net (perte nette) de location canadien et étranger	21 Foreign net rental income (loss) / Revenu net (perte nette) de location étranger	22 Capital cost allowance / Déduction pour amortissement: 125.10	23 Capital gains (losses) / Gains (pertes) en capital	24 Capital gains reserve / Réserve relative aux gains en capital	
25 Actual amt. of div. from corp. resident in Canada / Montant réel des dividendes de sociétés résidant au Canada	26 Interest from Canadian sources / Intérêts de source canadienne	27 Foreign dividends and interest income / Revenu étranger en dividendes et en intérêts	28 Business investment loss(es) / Perte(s) au titre d'un placement d'entreprise		30 Carrying charges / Frais financiers	31 Limited partnership loss available for carryforward / Perte comme commanditaire disponible à reporter	
32 Income tax deducted / Impôt sur le revenu retenu	33 Foreign tax paid / Impôt étranger payé	34 Charitable donations and government gifts / Dons de bienfaisance et dons au gouvernement	35 Cultural and ecological gifts / Dons de biens culturels ou écologiques	36 Federal political contributions / Contributions politiques fédérales	37 Provincial and territorial political contributions / Contributions politiques provinciales et territoriales	38 Investment tax credit / Crédit d'impôt à l'investissement	
39 Canadian exploration expenses / Frais d'exploration au Canada	40 Canadian development expenses / Frais d'aménagement au Canada	41 Canadian oil and gas property expenses / Frais à l'égard de biens canadiens relatifs au pétrole et au gaz	42 Foreign exploration and development expenses / Frais d'exploration et d'aménagement à l'étranger	43 Recaptured or earned depletion / Récupération de la déduction pour épuisement gagnée	44 Amt. eligible for resource allowance deduction / Montant donnant droit à la déd. relative aux ressources	45 Limited partner's at-risk amount / Fraction à risques de la participation du commanditaire: 2,543.61	
46 Assistance for Canadian exploration expenses / Aide pour frais d'exploration au Canada	47 Assistance for Canadian development expenses / Aide pour frais d'aménagement au Canada	48 Assistance for Canadian oil and gas property expenses / Aide pour frais à l'égard de biens can. relatifs au pétrole et au gaz					

Details - Détails

Complete Section 2 only if the partnership invested in a tax shelter. / Remplir la section 2 seulement si la société de personnes a investi dans un abri fiscal.

Section 2 - Tax shelter information - Renseignements sur un abri fiscal

55 Number of units acquired / Nombre d'unités acquises	55 Total cost of units / Coût total des unités	56 Limited-recourse amounts / Montant à recevoir limité	57 At-risk adjustment / Montant de rajustement à risque	58 Other indirect reductions / Autres réductions indirectes

Note: The identification number issued for this tax shelter shall be included in any income tax return filed by the investor. Issuance of the identification number is for administrative purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter.

Remarque: Le numéro d'inscription attribué à cet abri fiscal doit figurer dans toute déclaration d'impôt sur le revenu produite par l'investisseur. L'attribution de ce numéro n'est qu'une formalité administrative et ne confirme aucunement le droit de l'investisseur aux avantages fiscaux découlant de cet abri fiscal.

Complete Section 3 only if the partnership invested in a tax shelter. / Remplir la section 3 seulement si la société de personnes a investi dans un abri fiscal.

Section 3 - Allocation of Canadian exploration and development expenses - Répartition des frais d'exploration au Canada et des frais d'aménagement au Canada

Canadian exploration expenses / Frais d'exploration au Canada	130	Renounced / Renoncés	132	Allocated / Consentis	134	Province / Province	Expenses renounced on a provincial flow-through share agreement / Frais admissibles à la RUS pour actions provinciales
Canadian development expenses / Frais d'aménagement au Canada	131		133		135	BC	141
						AB	143
						MB	144
Expenses renounced on a flow-through share agreement / Frais admissibles à la RUS	138	Renounced / Renoncés	140			ON	145
Portion subject to an agreement for renouncing / Partie assujettie à un accord de renonciation	139						

Privacy Act personal information collection statement / Renseignements personnels et Loi sur la protection des renseignements personnels

T5013 (03)

For the Recipient
Pour le Bénéficiaire 2

Financial Statements of

THE ENERCONNECT LIMITED PARTNERSHIP

Year ended December 31, 2002

AUDITORS' REPORT

To the Limited and General Partners of The ENERconnect Limited Partnership

We have audited the balance sheet of The ENERconnect Limited Partnership as at December 31, 2002 and the statements of earnings and partners' equity and cash flows for the year then ended. These financial statements are the responsibility of the Partnership'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 Partnership as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Toronto, Canada

February 7, 2003

THE ENERCONNECT LIMITED PARTNERSHIP

Balance Sheet

December 31, 2002, with comparative figures for 2001

	2002	2001
Assets		
Current assets:		
Cash	$ 604,123	$ 655,174
Accounts receivable (note 3)	360,403	10,866
Prepaid expenses	598	555
	965,124	666,595
Equipment and leasehold improvements (note 2)	33,285	46,493
Deferred charges	330,556	425,000
	$ 1,328,965	$ 1,138,088
Liabilities and Partners' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 3)	$ 272,107	$ 89,032
Current portion of start-up funding advances	50,000	-
Deferred revenue	90,630	172,800
Loans payable (note 5)	191,186	373,371
	603,923	635,203
Start-up funding advances (note 4)	361,250	425,000
Partners' equity	363,792	77,885
Commitments (note 7)		
	$ 1,328,965	$ 1,138,088

See accompanying notes to financial statements.

On behalf of the Partnership:

_____ Director

_____ Director

THE ENERCONNECT LIMITED PARTNERSHIP

Statement of Earnings

Year ended December 31, 2002, with comparative figures for 2001

		2002		2001
Revenue:				
Sales (note 3)	$	2,272,138	$	-
Letter of intent deposits		-		200,260
Other		33,107		32,533
		2,305,245		232,793
Cost of sales		1,460,608		-
Gross profit		844,637		232,793
Expenses:				
Salaries and office		267,430		270,077
Rent and utilities		66,638		55,274
Professional fees		39,340		35,415
Board		25,210		32,012
Public relations		4,207		6,242
Consultants and contract services		13,550		2,120
Amortization of deferred charges		94,444		-
Amortization of equipment and leasehold		13,208		14,096
Interest and bank charges		34,703		640
		558,730		415,876
Net earnings (loss)	$	285,907	$	(183,083)

Statement of Partners' Equity

Year ended December 31, 2002, with comparative figures for 2001

		2002		2001
Partners' equity, beginning of year	$	77,885	$	260,968
Net earnings (loss)		285,907		(183,083)
Partners' equity, end of year	$	363,792	$	77,885

See accompanying notes to financial statements.

THE ENERCONNECT LIMITED PARTNERSHIP

Statement of Cash Flows

Year ended December 31, 2002, with comparative figures for 2001

		2002		2001
Cash provided by (used in):				
Interest received	$	8,863	$	23,533
Cash received for goods and services		1,864,675		971
Payments to suppliers and employees		(1,717,404)		(416,455)
		156,134		(391,951)
Financing activities:				
Repayment of start-up funding advances		(25,000)		-
Contributions of limited partners		-		10,389
Loans payable		(182,185)		373,371
		(207,185)		383,760
Decrease in cash		(51,051)		(8,191)
Cash, beginning of year		655,174		663,365
Cash, end of year	$	604,123	$	655,174

See accompanying notes to financial statements.

THE ENERCONNECT LIMITED PARTNERSHIP

Notes to Financial Statements

Year ended December 31, 2002

The ENERconnect Limited Partnership (the "Partnership") was organized under the provisions of the Limited Partnership Act (Ontario). The Partnership was founded primarily for the purpose of procuring power on behalf of, and providing services relating to power procurement to, its Limited Partners. ENERconnect may also procure power for and provide related services to entities which are not Limited Partners.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared on the going concern basis, in accordance with Canadian generally accepted accounting principles. The going concern basis of presentation assumes that ENERconnect will continue in operation for the foreseeable future and be able to realize its assets and discharge it liabilities and commitments in the normal course of business.

(b) Basis of accounting:

As a limited partnership, the liability of each Limited Partner for the debts, liabilities, obligations and losses of ENERconnect, is limited to the contribution of that Limited Partner plus its pro rata share of the undistributed income of the Partnership. The General Partner, ENERconnect Inc., shall have unlimited liability for all the debts, liabilities, obligations and losses of ENERconnect.

These financial statements do not include all of the assets, liabilities, revenue and expenses of the Partners. No provision for any income taxes that might be determined to be applicable to each Partner's share of any income is provided in these financial statements.

(c) Cash and cash equivalents:

Deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less are considered to be cash and cash equivalents

1. Significant accounting policies (continued):

(d) Equipment and leasehold improvements:

Equipment and leasehold improvements are stated at cost. Amortization is provided in the financial statements at the following rates:

Asset	Basis	Rate
Computer equipment	Declining balance	33%
Office furniture and equipment	Declining balance	20%
Leasehold improvements	Straight line	remaining lease term

(e) Deferred charges:

Deferred charges represent organization and start-up costs. These costs were deferred until commencement of operations in May 2002, at which point such costs began to be amortized on a straight-line basis over a three year period.

(f) Deferred revenue:

Deferred revenue represents consideration for a contingent liability that was received upon transfer of the Partnership's Electricity Service Agreement to an alternative service provider. Revenue will be recognized as the liability is incurred, or expires.

(g) Revenue recognition:

Revenue is recognized when services are performed, or obligations to perform services have lapsed.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of estimates relate to the rate of amortization of deferred charges, and the term over which capital assets will provide future value. Actual results could differ from those estimates.

2. Equipment and leasehold improvements:

			2002	2001
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	$ 58,859	$ 52,278	$ 6,581	$ 9,866
Office furniture and equipment	57,829	38,916	18,913	23,642
Leasehold improvements	33,815	26,024	7,791	12,985
	$ 150,503	$ 117,218	$ 33,285	$ 46,493

3. Related party transactions:

During the year, sales of $2,076,698 were made to Limited Partners. Accounts receivable includes $334,263 owed in respect of fees for November and December by customers that are Limited Partners.

4. Start-up funding advances:

The Electricity Distributors Association (the "EDA") is the sole shareholder of the General Partner, ENERconnect Inc. EDA advanced, by way of direct and indirect expenditures, $425,000 to support the establishment of ENERconnect. Subject to ENERconnect generating sufficient net earnings, ENERconnect has agreed to repay the $425,000 to the EDA. Delays and uncertainty in the opening of the competitive electricity market resulted in the deferral of future payments. ENERconnect has reserved the right to adjust the repayment schedule subject to its ability to make the repayments. During the current fiscal year $25,000 was repaid and expects to repay $50,000 in 2003. Interest at the rate of 4% is being added to the outstanding balance, effective May 1, 2002.

5. Loans payable:

The Partnership obtained financing in 2001 from its Limited Partners for the purpose of acquiring the resources necessary to provide services when the market opened. Repayment of the loans is required in full on the first anniversary of the May 2002 market opening. Subsequent to the market opening, interest is payable at 9% per annum. During current year, the Partnership repaid 50% of the outstanding loan balances with interest.

6. Partners' equity and allocation of income and losses:

Under the provisions of the Limited Partnership Agreement, Ontario Municipal Electric Utilities ("MEU's") were invited to contribute funds and become Limited Partners of ENERconnect. The General Partner made an assignment of points based upon the contribution made by the MEU's and whether a subscription agreement was entered into prior to March 31, 1998 or subsequently. The points so assigned form the basis of each Limited Partners' voting privileges and allocation of ENERconnect's net income or loss.

A number of municipal electric utilities that subscribed to be limited partners were sold or amalgamated. Under provisions of the Limited Partnership Agreement, a limited partner's interest is not assignable, although provisions of the Agreement do allow for a deemed assignment upon amalgamation subject to provisions which may reduce the amalgamated partner's points. As decisions are rendered by the Ontario Energy Board approving applications of sale or amalgamation, adjustments are made to points outstanding.

Changes in outstanding points are as follows:

	2002	2001
Opening balance - points	3,187,913	3,767,313
Reductions on amalgamation or sale of MEU's	(165,963)	(579,400)
Closing balance - points	3,021,950	3,187,913

7. Commitments:

The Partnership leases its premises and certain office equipment under operating lease agreements. The minimum payments, including expected common area cost contributions, are approximately as follows:

2003	$ 64,000
2004	41,000

Schedule A:
Information on Ontario Corporations

(Corporations that are incorporated, continued or amalgamated under the *Ontario Business Corporations Act)*

Identification

Corporation's Legal Name (*including punctuation*)	Ontario Corporation No. (MCBS)	Date of Incorporation or Amalgamation
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1430892	2000/10/05

Director/Officer Information

Full Name and Address for Service:

Last Name	First Name	Middle Name(s)	
PLEASE SEE ATTACHED SCHEDULE			
Street Number and Name		Suite	
City/Town/Village	Province/State	Country	Postal/Zip Code

Director

Are you a resident Canadian?
Applies to directors of business corporations only)
Yes ☐ No ☐

Date Elected _____

Date Ceased _____

Officer

Indicate the appointment period for each of the following:

	Date Appointed	Date Ceased
President		
Secretary		
Treasurer		
General Manager		
Other *(specify)*		

Other Titles *(please specify)*

- ☐ Chair
- ☐ Chair Person
- ☐ Chairman
- ☐ Chairwoman
- ☐ Vice-Chair
- ☐ Vice-President
- ☐ Assistant Secretary
- ☐ Assistant Treasurer
- ☐ Chief Manager
- ☐ Executive Director
- ☐ Managing Director
- ☐ Chief Executive Officer
- ☐ Chief Financial Officer
- ☐ Chief Info. Officer
- ☐ Chief Operating Officer
- ☐ Chief Administrative Officer
- ☐ Comptroller
- ☐ Authorized Signing Officer
- ☐ Other (untitled)

Director/Officer Information

Full Name and Address for Service:

Last Name	First Name	Middle Name(s)	
Street Number and Name		Suite	
City/Town/Village	Province/State	Country	Postal/Zip Code

Director

Are you a resident Canadian?
Applies to directors of business corporations only)
Yes ☐ No ☐

Date Elected _____

Date Ceased _____

Officer

Indicate the appointment period for each of the following:

	Date Appointed	Date Ceased
President		
Secretary		
Treasurer		
General Manager		
Other *(specify)*		

Other Titles *(please specify)*

- ☐ Chair
- ☐ Chair Person
- ☐ Chairman
- ☐ Chairwoman
- ☐ Vice-Chair
- ☐ Vice-President
- ☐ Assistant Secretary
- ☐ Assistant Treasurer
- ☐ Chief Manager
- ☐ Executive Director
- ☐ Managing Director
- ☐ Chief Executive Officer
- ☐ Chief Financial Officer
- ☐ Chief Info. Officer
- ☐ Chief Operating Officer
- ☐ Chief Administrative Officer
- ☐ Comptroller
- ☐ Authorized Signing Officer
- ☐ Other (untitled)

Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

MCBS Schedule A:
Information on Ontario Corporations

Innisfil Hydro Distribution Systems Limited
Ontario Corporation No. 1430892 Date of Incorporation: 2000/10/05

All Directors are resident Canadians.

Directors:

Name	Address	Date Elected	Date Ceased	Other Titles
Roy E. Atkinson	585 Atherley Road, Suite211 Orillia, ON L3V 7L5	2000/10/25		Chairman
Brian Jackson	8319 Yonge Street Innisfil, ON L9S 3C1	2000/10/25		
Robert G. Lake	2244 Heritage Line Box 101, R.R. #7 Peterborough, ON K9J 6X8	2000/10/25		
Nick Tatone	Suite 3, Box 108, R.R. #6 Woodville, ON K0M 2T0	2000/10/25	2003/03/31	Chairman

Officers:

Name	Address	Date Appointed	Date Ceased	Titles
James Brooke Richardson	Box 315 Alliston, ON L9R 1V6	2000/10/25	2001/12/21	President & CEO
Susan Carol Mavor-Hope	10504 County Road 10,R.R.1 New Lowell, ON K0M 2T0	2001/06/18	2002/01/16	Treasurer & CFO
Marjorie Isobel Stewart	R.R. #1 Utopia, ON L0M 1T0	2000/10/25	2001/06/18 2002/03/08	Secretary/ Treasurer Secretary
George P. Shaparew	119 Leighland Avenue Oakville, ON L6H 1B3	2002/03/08		President & Secretary
Gregory George Young	3807 White Cap Drive Innisfil, ON L9S 2L5	2002/03/18		Treasurer

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 642
33 King Street West
Oshawa ON L1H 8T1

CT23 - Certification Form Diskette Filing

Return I.D. # (Ministry Use Only)

Corporations Tax Account Number 1800117

Please check appropriate boxes if applicable:

- ☐ First year of filing
- ☐ Amended return
- ☐ Taxation year end has changed (approval by CCRA required)
- ☐ Exempt from filing
- ☐ Final taxation year up to Dissolution
- ☐ Final taxation year before Amalgamation
- ☐ Floating Fiscal year end
- ☐ Subject to CMT
- ☐ Change of Control fed.s.249(4)

Date Control was acquired:

Date of incorporation 2000/10/05

Return for taxation year
Start 2002/01/01
End 2002/12/31

CCRA Business No. 892422817RC0001

Jurisdiction Incorporated Ontario

Corporation's legal name and mailing address
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED
Care of

Change of information? Yes ☐ No ☒

Address
2073 COMMERCE PARK DR

City	Province	Country	Postal code
INNISFIL	ON		L9S 4A2

Transmitter Details

Transmitter number	A0006001
Transmitter name	Grant Thornton LLP
Name of person to contact	
Telephone number	(705) 326-7605
Facsimile number	(705) 326-0837
Transmitter Address	279 Coldwater Rd W Orillia, Ontario L3V3M1
Disk Reference Number	

Aggregate of Total Revenue	**210**	19,701,358
Aggregate of Total Assets	**209**	26,476,956
Taxable Income (Non-capital Loss)	**10**	118,806
Total Tax Payable	**950**	61,057
Payments:	**990**	197,682
Enclosed:		
Apply to: Year		2003/12/31
Apply Amount:		136,625
975 Refund:		Yes ☐ No ☒
If Yes, Due to:		
Loss Carryback:		Yes ☐ No ☒
Overpayment:		Yes ☐ No ☒
Refundable tax credit		Yes ☐ No ☒

Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this 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
GREG YOUNG

Title
Treasurer

Full Residence address

City

Province	Country	Postal code

Signature

Phone Number	Date
(705) 431-4321	2004/02/10

ProFile Version 2002.4 Approval code 0090

Payment Advice

Corporation's Tax Account Number	1800117
Date of Incorporation	2000/10/05
Corporation Name	
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	

Enter the amount of payment and indicate taxation year.

Taxation Year End	Payment amount
	$
2002/12/31	$
Total Payment	$

Submit your cheque (drawn on a Canadian financial institution) or money order in Canadian Funds, payable to: The Minister of Finance

Send to: Ontario Ministry of Finance
Corporations Tax Branch
P.O. Box 642
33 King Street West
Oshawa ON L1H 8T1

Incomplete information will result in a delay processing an assessment.

Ontario

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

2001 (Revised) CT23 Corporations Tax and Annual Return

For taxation years commencing after May 4, 1999

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the MCBS Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-18, together with the applicable schedules on pages 19-22. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2). The **Annual Return** (common page 1 and MCBS Schedules A or K on pages 23 and 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Refer to Guide)* Yes ☐ No ☒

Corporation's legal name and mailing address
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

2073 COMMERCE PARK DR

City	Province	Country	Postal code
INNISFIL	ON		L9S 4A2

Ontario Corporations Tax Account No. (MOF): 1800117

This CT23 Return covers the Taxation Year
Start: 2002/01/01
End: 2002/12/31

Has address changed since last filed return? Yes ☐ Date of change

Date of Incorporation or Amalgamation: 2000/10/05

Registered/Head Office Address
2073 COMMERCE PARK DR

City	Province	Country	Postal code
INNISFIL	ON		L9S 4A2

Ontario Corporation No. (MCBS): 1430892

Location of books and records
2073 COMMERCE PARK DR

City	Province	Country	Postal code
INNISFIL	ON		L9S 4A2

Canada Customs and Revenue Agency Business No.: 892422817RC0001

Name of person to contact regarding this Return	Telephone no.	Fax no.
GREG YOUNG	(705) 431-4321	( ) -

Jurisdiction Incorporated: Ontario

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

City	Province	Country	Postal code

If not incorporated in Ontario, indicate date Ontario business activity commenced and ceased:
Commenced
Ceased
(Not Applicable) ☒

Former Corporation Name (*Extra-Provincial Corporations only*) ***Not applicable*** ☐ (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶ No. of Schedule(s): 0

Preferred Language / *Langue de préférence*
English / anglais ☒ French / français ☐

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

Ministry Use

Certification (MCBS)

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

Name of Authorized Person
GREG YOUNG

Title: D ☐ Director O ☒ Officer P ☐ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

ProFile

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

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

Criteria for exempt from filing status:

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

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

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

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

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

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

1. Corporation's Mailing Address

City Province Country Postal code

2. Ontario Corporation No. (MCBS)

3. Canada Customs and Revenue Agency Business No.

RC

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

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

Yes	No	
☒	☐	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents 100 % (nearest whole percent)
☒	☐	(b) The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. *(Refer to guide)*
☐	☒	(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.
☐	☒	(d) The corporation's taxation year ends on or after January 1, 2000 and its gross revenue and total assets are each $1,000,000 or less and the corporation is not a financial institution; **OR** The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution.
☒	☐	(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).
☒	☐	(f) The corporation's Ontario allocation factor is 100%.

NOTE: Family Farm or Fishing corporations that have a year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax,

may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to (a),(b),(c), (e) and (f) above.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

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

1
- 1 ☒ Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.)(fed.s.125(7)(b))
- 2 ☐ Other Private
- 3 ☐ Public
- 4 ☐ Non-share Capital
- 5 ☐ Other (specify)

Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

2
- 1 ☐ Family Farm Corporation s.1(2)
- 2 ☐ Family Fishing Corporation s.1(2)
- 3 ☐ Mortgage Investment Corp 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 Corp 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 Corp 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 institutions 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 subsidary of either
- 20 ☐ Producer and seller of steam for uses other than for the generation of electricity
- 21 ☐ Insurance Exchange s.74.4
- 22 ☐ Farm Feeder Finance Co-operative Corporation
- 23 ☐ Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)

Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity

Please check (✓) 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)
- ☐ 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: _____

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

Income Tax

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 ±	477,228
Subtract: Charitable donations		1 -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule)*		2 -	
Subtract: Taxable dividends deductible, per federal T2 SCH 3		3 -	
Subtract: Ontario political contributions *(Attach schedule)*		4	
Subtract: Federal Part VI.1 tax	X 9/4	5 -	
Subtract: Prior years' losses applied - Non-capital losses		From 704	358,052
Net capital losses (page 17) From 715	X inclusion rate 50.000000 %	714	
Farm losses		From 724 -	
Restricted farm losses		From 734 -	
Limited partnership losses		From 754 -	370
Taxable income (Non-capital loss)		10 =	118,806
Addition to taxable income for unused foreign tax deduction for federal purposes		11 +	
Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)		20 =	118,806

Taxable Income

Number of days in Taxation Year

From 10 (or 20)	118,806	X30	100.0000 % (Ontario Allocation)	X 14.5 % X	24 (Days after May 1, 2000 and before Jan 1, 2001)	÷ 73	365 (Total days) =	25 +	
From 10 (or 20)	118,806	X30	100.0000 % (Ontario Allocation)	X 14.0 % X	26 (Days after Dec 31, 2000 and before Oct 1, 2001)	÷ 73	365 (Total days) =	27 +	
From 10 (or 20)	118,806	X30	100.0000 % (Ontario Allocation)	X 12.5 % X	28 365 (Days after Sept 30, 2001 and before Jan 1, 2003)	÷ 73	365 (Total days) =	29 +	14,851
From 10 (or 20)	118,806	X30	100.0000 % (Ontario Allocation)	X 11.0 % X	31 (Days after Dec 31, 2002 and before Jan 1, 2004)	÷ 73	365 (Total days) =	32 +	

Taxable Income Payable (before deduction of tax credits) **25 + 27 + 29 + 32** — 40 = 14,851

Incentive Deduction for Small Business Corporations (IDSBC)(s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (✓) ☒ Yes ☐ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))			50	477,228
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	51 +	118,806		
Add: Losses of other years deducted for federal purposes (fed.s.111)	52 +	358,422		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	53 -	358,422		
	=	118,806 ▶	54	118,806
Federal Business limit for the year before application of fed.s.125(5.1) (not exceeding $200,000) *(Attach T2 SCH 23 if associated)*	55 +	150,000		
Add: Ontario enhancement of federal business limit				

Number of days in Taxation Year

40,000 X	Days from 26 above	÷ 73	Total Days 365	X From 55	150,000	÷200,000	42 +	
80,000 X	Days from 28 above 365	÷ 73	Total Days 365	X From 55	150,000	÷200,000	43 +	60,000
120,000 X	Days from 31 above	÷ 73	Total Days 365	X From 55	150,000	÷200,000	46 +	
Ontario enhancement of federal business limit 42 + 43 + 46							=	60,000

	44 +	60,000		
Business Limit for Ontario purposes 55 + 44	=	210,000 ▶	45	210,000
Income eligible for the IDSBC From 30 100.0000 % (*Ontario Allocation) X	56	118,806 (Least of 50, 54 or 45)	60 =	118,806

***Note**: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

Calculation of IDSBC Rate

		Number of Days in Taxation Year				
		Days after Dec 31, 1999 and before Oct 1, 2001		Total Days		
7.5% X 76			÷ 73	365	77 +	
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
6.5 % X 28		365	÷ 73	365	79 +	6.5000
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
5.5 % X 31			÷ 73	365	89 +	

IDSBC Rate for Taxation Year 77 + 79 + 89 78 = 6.5000

Claim From 60 118,806 X From 78 6.5000 % 70 = 7,722

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** + 118,806

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

Taxable income of associated corporations *(Attach schedule)* **82** + 34,517

Aggregate Taxable Income **85** = 153,323

Number of days in Taxation Year

		Days before Jan 1, 2001		Total Days		
Subtract: 200,000 X	558		÷ 73	365	= 111 +	
		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days		
240,000 X	26		÷ 73	365	= 112 +	
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
280,000 X	28	365	÷ 73	365	= 113 +	280,000
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
320,000 X	31		÷ 73	365	= 115 +	

111 + 112 + 113 + 115 = 280,000 ▶ **114** - 280,000

(If negative, enter nil) **86** =

Calculation of Specified Rate for Surtax

		Number of Days in Taxation Year				
		Days after Dec 31, 1999 and before Oct 1, 2001		Total Days		
5.0% X 76			÷ 73	365	93 +	
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
4.333% X 28		365	÷ 73	365	95 +	4.3330
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
3.667% X 31			÷ 73	365	96 +	

Specified rate of surtax for Taxation Year **93 + 95 + 96** **94** = 4.3330

From **86** X From **94** 4.3330 % = **87** =

From **87** X From **60** 118,806 ÷ From **114** 280,000 **88** =

Surtax: Lesser of **70** or **88** **100** =

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule)* 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits 120 +

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From **56** - 118,806

Add: Adjustment for Surtax on Canadian-controlled private corporations
From **100** _____ + From **30** 100.0000 % ÷ From **78** 6.5000 % = **121** _____
*Ontario Allocation

Lesser of **56** or **121** **122** +

120 - 56 + 122 **130** =

Taxable income From **10** + 118,806

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From **56** - 118,806

Add: Adjustments for Surtax on Canadian-controlled private corporations From **122** +

Subtract: Taxable Income **10** X Allocation % to jurisdictions outside Canada **140**

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses **141**

10 - 56 + 122 - 140 - 141 **142** =

Number of Days in Taxation Year

Claim 143 _____ X From **30** 100.0000 % 2.0% X **152** _____ (Days before Oct 1, 2001) ÷ **73** 365 (Total Days) = **153** +
*Ontario Allocation

Claim 143 _____ X From **30** 100.0000 % 1.5% X **28** 365 (Days after Sept 30, 2001 and before Jan 1, 2003) ÷ **73** 365 (Total Days) = **154** +
*Ontario Allocation

Claim 143 _____ X From **30** 100.0000 % 1.0% X **31** _____ (Days after Dec 31, 2002 and before Jan 1, 2004) ÷ **73** 365 (Total Days) = **155** +
*Ontario Allocation

M&P claim for taxation year **153 + 154 + 155** **160** =

***Note:** Ontario Allocation for M&P Credit purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity 162

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

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) *(Attach schedule).* 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible credit **175** _____ Credit claimed **180**

Subtotal of Income Tax **40 - 70 + 100 - 110 - 160 - 161 - 162 -170 - 180** 190 = 7,129

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible credit from **5620** OITC claim form *(Attach original Claim Form)* **191** +

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible credit from **5798** Summary Schedule F **192** +

Ontario Film and Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible credit from **5899** Claim Form Certified by Ontario Film Development Corp.
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **193** +

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed graduate students. No. of Graduates from **6596** **194**
Eligible Credit from **6598** Summary Schedule G **195** +

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by first-time Canadian authors.
Eligible Credit from **6900** OBPTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** Claim Form certified by Ontario Film Development Corp.
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* **198** +

Ontario Production Services Tax credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.
Eligible Credit from **7300** Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **199** +

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit from **7400** Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* **200** +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect to eligible Canadian sound recordings.
Eligible Credit from **7500** OSRTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* **201** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 **220** =

Specified Tax Credits ***Applied to reduce Income Tax*** **225** =

Income Tax **190 - 225 OR Enter NIL if reporting Non-Capital Loss** **230** = 7,129

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on ***page 18***.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B on ***Page 8***.

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets **249** exceeds $5,000,000 ***or*** Total Revenue **250** exceeds $10,000,000.
* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	**240** +	25,222,867		
*** Total Revenue of the corporation**			**241** +	19,523,887
If you are a member of an associated group (✓) **242** ☒ (Yes)				
Total Assets of associated corporations *(Attach schedule)*	**243** +	1,254,089		
Total Revenue of associated corporations *(Attach schedule)*			**244** +	177,471
Aggregate Total Assets	**249** =	26,476,956		
Aggregate Total Revenue			**250** =	19,701,358

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 PayableCMT Base From **2135**	58,106 X If negative, enter zero	From **30**	100.0000 % X 4% Ontario Allocation	**276** =	2,324
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*				**277** -	
Subtract: Income Tax				From **190** -	7,129
Net CMT Payable (if negative, enter Nil on page 18.)				**280** =	

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from ***Page 7*** to ***Income Tax Summary, on Page 18.***
If **280** is less than zero and you have a CMT credit carryover, complete A & B below.
If **280** is greater than or equal to zero, transfer **230** to ***Page 18*** and transfer **280** to ***Page 18, and*** to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 21.***

CMT Credit Carryover available			From **2307**	

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)			From **190** +	7,129
	Gross CMT payable	From **276** +	2,324		
	Subtract: Foreign Tax Credit for CMT purposes	From **277** -			
	If **276 - 277** is negative, enter NIL in **290**	=	2,324 ▶	**290** -	2,324
	Income Tax eligible for CMT Credit			**300** =	4,805
B.	Income Tax (after deduction of specified credits)			From **230** +	7,129
	Subtract: CMT credit used to reduce income taxes			**310**	
	Income Tax			**320** =	7,129

Transfer to Page 18

If A & B apply, 310 cannot exceed the lesser of 230, 300 and your CMT credit carryover available 2307.
If only B applies, 310 cannot exceed the lesser of 230 and your CMT credit carryover available 2307.

Capital Tax *(Refer to Guide)*

If your corporation is a Financial Institution (s.58(2)), proceed to page 14.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 13 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets
must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B.15-79, Int.B.L-12 and Int.B.L-16).

Any assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater of** (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a).

Paid-up Capital

Paid-up capital stock			
Retained earnings (if deficit, deduct)	350	+	10,852,444
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	351	±	79,075
Loans and advances *(Attach schedule)*	352	+	
Bank loans	353	+	10,825,369
Bankers acceptances	354	+	996,000
Bonds and debentures payable	355	+	
Mortgages payable	356	+	
Lien notes payable	357	+	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporation tax)	358	+	
Contingent, investment, inventory and similar reserves	359	+	788,808
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)*	360	+	
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))*	361	+	342,274
Subtotal	362	+	15,451
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)*	370	=	23,899,421
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	371	-	43,357
Total Paid-up Capital	372	-	
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	380	=	23,856,064
Net Paid-up Capital	381	-	
	390	=	23,856,064

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	+	
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	+	996,000
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	407	+	
Total Eligible Investments	410	=	996,000

Total Assets

Total Assets per balance sheet	420	+	25,207,035
Mortgages or other liabilities deducted from assets	421	+	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	422	+	15,832
Subtract: Investment in partnership(s)/joint venture(s)	423	-	
Total Assets as adjusted	430	=	25,222,867
Amounts in **360** and **361** (if deducted from assets)	440	+	342,274
Subtract: Amounts in **371**, **372** and **381**	441	-	43,357
Subtract: Appraisal surplus if booked	442	-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443	±	
Total Assets	450	=	25,521,784

Investment Allowance (410 + 450) X 390	Not to exceed 410	460	= 930,994
Taxable Capital 390 - 460		470	= 22,925,070

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	19,496,425		
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*	27,462		
Aggregate of Gross Revenue	19,523,887	480	19,523,887
Total Assets (as adjusted)	From	430	25,222,867

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2001) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union** that is not a Financial Institution, complete only Section A below.

OR **If the corporation is NOT a member of an associated group and/or partnership**, review only the capital tax calculations in *Section B on pages 10 to 11* and select and complete the one specific subsection (e.g. B4) that applies to the corporation.

OR **If the corporation IS a member of an associated group and/or partnership**, complete Section C on page 12. Next review, and if applicable, complete Section D on page 12. If Section D is not applicable review Section E on page 13 and complete the applicable subsection: either E1 or E2. **Note:** if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.

Enter NIL in **550** on page 13 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership

B1. If the taxation year ends before January 1, 2001 and **430** and **480** are both $1,000,000 or less, enter NIL in **550** on page 13 and complete the return from that point.

B2. If the taxation year end is after December 31, 2000 and **430** and **480** are both $1,500,000 or less, enter NIL in **550** on page 13 and complete the return from that point.

B3. If the taxation year commences after September 30, 2001 and **430** and **480** on page 10 of the 2001 CT23 are both $3,000,000 or less, enter NIL in **550** on page 13 of the 2001 CT23 and complete the return from that point.

B4. If taxable capital, **470** on page 10, is $2,000,000 or less, enter NIL in **550** on page 13 and complete the return from that point.

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

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

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

Deduct:

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

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

(506 = 490 - 493) **506** = _____ x From **30** _____% x **553** _____ = **507** + _____

Ontario Allocation **365/366

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

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

Deduct:

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

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

(509 = 490 - 495) **509** = _____ x From **30** _____% x **558** _____ = **522** + _____

Ontario Allocation ** 365/366

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

(c) Capital Tax for that portion of a taxation year after September 30, 2001 for a corporation whose taxable capital is $5,000,000 or less and that is not associated, is NIL. + 0

Total Capital Tax for the taxation year 507 + 522 **508** = _____

*Transfer to **543** on Page 13 and complete the return from that point.*

B6. If taxable capital, **470** on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount from **508** to **543** on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From **470** _____ x From **30** _____ x 0.3% x **559** _____ **502** + _____

Ontario Allocation

Days in taxation year before October 1, 2001

**365/366

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

(b) + From **470** _____

\- 5,000,000

= **471** _____ x From **30** _____ x 0.3% x **560** _____ **523** + _____

Ontario Allocation

Days in taxation year after September 30, 2001

**365/366

Total Capital Tax for the taxation year 502 + 523 **508** = _____

Transfer to **543** and complete the return from that point

** *If floating taxation year, refer to Guide*

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following, and (✓) **510** ☒ (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation — From **470** + 22,925,070

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)*	**531** +	235,693
Aggregate Taxable Capital **470 + 531**	**540** =	23,160,763

If **540** above is $5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001, is NIL. Enter NIL in **523** in E1(c) or E2(b) as applicable.

If **540** above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the portion of the taxation year after September 30, 2001.

From **470** 22,925,070 ÷ From **540** 23,160,763 X 5,000,000 — **541** = 4,949,118

Transfer to Section E2(b)

Calculation 2

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)*	**514** +	
Total Aggregate Taxable Capital **540 + 514**	**520** =	23,160,763

If **520** above is greater than $2,000,000, and less than $3,200,000 and a portion of the taxation year is before October 1, 2001, the corporation must compute the following ratio.

From **470** _____ ÷ From **520** _____ — **521** = _____

Transfer to section E1(a) and/or (b) as applicable

Note: 521 cannot exceed 1.00000

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 is *$2,000,000 or less.*

Enter NIL in **550** on page 13 and complete the return from that point.

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 *on page 12, exceeds $2,000,000.*

E1. If aggregate taxable capital **520** exceeds **$2,000,000** but is **$3,200,000 or less**, complete the following calculations and transfer the total from **508** to **543** and complete the return from that point.

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

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

Deduct:

($2,800,000 - From **520** _____) x 0.75% x From **521** _____ = **493** - _____

(**506 = 490 - 493**) **506** = _____

x **30** _____ % x **553** _____ = **507** + _____

Ontario Allocation — Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 — **365/366

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

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

Deduct:

($3,200,000 - From **520** _____) x 0.5% x From **521** _____ = **495** - _____

(**509 = 490 - 495**) **509** = _____

x **30** _____ % x **557** _____ = **522** + _____

Ontario Allocation — Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 — **365/366

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

(c) Capital tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital at **540** is $5,000,000 or less, is NIL. **523** + 0

Total Capital Tax for the taxation year 507 + 522 + 523 **508** = _____

Transfer to **543** and complete the return from that point

E2. If the aggregate taxable capital **520** on page 12, exceeds **$3,200,000** complete the following calculation and transfer the amount from **508** to **543** on this page, and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From **470** 22,925,070 x From **30** 100.0000 x 0.3% x **555** _____ = **502** + _____

Ontario Allocation — Days in taxation year before Oct. 1, 2001 — 365/366

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

(b) + From **470** 22,925,070

- From **541** 4,949,118

471 17,975,952 x From **30** 100.0000 x 0.3% x **560** 365 = **523** + 53,928

Ontario Allocation — Days in taxation year after September 30, 2001 = — 365/366

Total Capital Tax for the taxation year 502 + 523 **508** = 53,928

Transfer to **543** and complete the return from that point

** *If floating taxation year, refer to Guide*

Capital Tax *before application of specified credits* **543** = 53,928

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* **546** _____

Capital Tax: 543 - 546 **550** = 53,928

Transfer to Page 18

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions Only

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 13, and complete the return from that point.

I.2 Other than Credit Unions

*(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)*

565 _____ x 0.6% x From **30** _____ % x Ontario Allocation **555** _____ ÷ **365/366 = **569** + _____

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1

570 _____ x **571** _____ x From **30** _____ % x Ontario Allocation **555** _____ ÷ **365/366 = **574** + _____

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount

Capital Tax Rate *(Refer to Guide)*

Days in taxation year

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574 **575** = _____

***** If floating taxation year, refer to Guide***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculations and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments **585** _____

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (✓) ☐ Yes

Capital Tax - Financial Institutions 575 - 585 **586** = _____

*Transfer to **543** on Page 13*

Premium Tax (s.74.2 & 74.3) *(refer to Guide)*

(1) Uninsured Benefits Arrangements **587** _____ x 2% **588** = _____

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to guide)* **589** _____

Premium Tax 588 - 589 **590** = _____

Transfer to Page 18

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 600 ± 477,228

Transfer to Page 16

Add:

Federal capital cost allowance	601 +	1,336,459
Federal cumulative eligible capital deduction	602 +	42,523
Ontario taxable capital gain	603 +	
Federal non-allowable reserves. Balance beginning of year	604 +	
Federal allowable reserves. Balance end of year	605 +	43,357
Ontario non-allowable reserves. Balance end of year	606 +	
Ontario allowable reserves. Balance beginning of year	607 +	12,700
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608 +	
Federal resource allowance	609 +	
Federal depletion allowance	610 +	
Federal foreign exploration and development expenses	611 +	
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

Number of days in Taxation Year

612 _____ X 5/14.5 X 24 (Days after May 1, 2000 and before Jan 1, 2001) _____ ÷ 73 (Total days) 365 = + 631 _____

612 _____ X 5/14.0 X 26 (Days after Dec 31, 2000 and before Oct. 1, 2001) _____ ÷ 73 (Total days) 365 = + 632 _____

612 _____ X 5/12.5 X 28 (Days after Sept. 30, 2001 and before Jan. 1, 2003) 365 ÷ 73 (Total days) 365 = + 633 _____

612 _____ X 5/11.0 X 31 (Days after Dec. 31, 2002 and before Jan. 1, 2004) _____ ÷ 73 (Total days) 365 = + 634 _____

Total add-back amount for Management fees, etc. 631 + 632 + 633 + 634 = _____	▶ 613 +	
Federal Scientific Research Expenses claimed in year from fed form T661	615 +	
Federal allowable business investment loss	620 +	
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	614 +	
Sub Total of Additions 601 to 615 + 620	=	1,435,039

640 1,435,039

Transfer to Page 16

Reconcile net income (loss) for Federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net income (loss) for federal income tax purposes, per federal T2 SCH 1	From 600 ±	477,228
Sub Total of Additions	From 640 =	1,435,039

Deduct:

Ontario capital cost allowance	650 +	1,336,459
Ontario cumulative eligible capital deduction	651 +	42,523
Federal taxable capital gain	652 +	
Ontario non-allowable reserves. Balance beginning of year	653 +	
Ontario allowable reserves. Balance end of year	654 +	43,357
Federal non-allowable reserves. Balance end of year	655 +	
Federal allowable reserves. Balance beginning of year	656 +	12,700
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	657 +	
Ontario depletion allowance	658 +	
Ontario resource allowance	659 +	
Ontario research and development super allowance *(Attach schedule)*	660 +	
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	674 +	
Ontario current cost adjustment *(Attach schedule)*	661 +	
Ontario Scientific Research Expenses claimed in year from Ont form CT161	679 +	

Ontario New Technology Tax Incentive (ONTTI) Gross-up
Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year 662 _____

ONTTI Gross-up deduction calculation:

From 662 _____ Gross-up of CCA x 100/ 30 100.0000 (Ontario allocation) - From 662 _____ 663 =

Workplace Child Care Tax Incentive: (***Applies*** to qualifying expenditures incurred after May 5, 1998)

Qualifying expenditures 665 _____ x 30% x 100/ 30 100.0000 (Ontario Allocation) 666 =

Workplace Accessibility Tax Incentive: (***Applies*** to qualifying expenditures incurred after July 1, 1998)

Qualifying expenditures: 667 _____ x 100% x 100/ 30 100.0000 (Ontario Allocation) 668 =

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses made within the 3 year period commencing after May 4, 1999.) *(Refer to Guide)*

Qualifying expenditures 670 _____ x 30% x 100/ 30 100.0000 (Ontario Allocation) 671 =

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures 672 _____ x 15% x 100/ 30 100.0000 (Ontario Allocation) 673 =

Ontario allowable business investment loss	678 +	
Total of other deductions allowed by Ontario *(Attach schedule)*	664 +	
Sub Total of Deductions 650 to 660 + 674 + 661 + 679 + 663 + 666 + 668 + 671 + 673 + 678 + 664	= 1,435,039	680 1,435,039
Net income (loss) for Ontario purposes 600 + 640 - 680	690 =	477,228

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 358,052	710 (2)	720 (2)	730	740	750 370
Add: Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703	713	723	733	743	753
Subtract: Utilized during the year to reduce taxable income	704 358,052	715 (4)	724	734 (4)	744 (4)	754 (4) 370
Expired during the year	705		725	735	745	
Carried back to prior years to reduce income (5)	706 (2) To Pg 18	716 (2) To Pg 18	726 (2) To Pg 18	736 (2) To Pg 18	746	
Subtotal	707 358,052	717	727	737	747	757 370
Balance at End of Year	709	719	729	739	749	759

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829 + 839**.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800				850	870
801				851	871
802				852	872
803	820	830	840	853	873
804	821	831	841	854	874
805	822	832	842	855	875
806	823	833	843	856	876
807 2000/12/31	824	834	844	857	877
808 2001/12/31	825	835	845	858	878
809 2002/12/31	826	836	846	859	879
Total	829	839	849	869	889

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Minister of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

			Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.	**Predecessor Corporation's Account No. (MOF)**	**Taxation Year Ending**				
i) 3rd preceding	901		911	921	931	941
ii) 2nd preceding	902	2000/12/31	912	922	932	942
iii) 1st preceding	903	2001/12/31	913	923	933	943
Total loss to be carried back			From 706	From 716	From 726	From 736
Balance of loss available for carryforward			919	929	939	949

Summary

Income Tax	From 230 or 320	+	7,129
Corporate Minimum Tax	From 280	+	
Capital Tax	From 550	+	53,928
Premium Tax	From 590	+	
Total Tax Payable	950	=	61,057
Subtract: Payments	960	-	197,682
Capital Gains Refund (s.48)	965	-	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	985	-	
Specified Tax Credits *(Refer to Guide)*	955	-	
Balance	970	=	(136,625)
If payment due	Enclosed * 990		
If overpayment: Refund	975	=	
Apply to 2003/12/31	980		136,625
	(Includes credit interest)		

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the MINISTER OF FINANCE*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order.

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name
GREG YOUNG

Title
Treasurer

Full Residence Address

City

Province | Country | Postal Code

Signature | Date 2004/02/10

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Details of Associated Ontario Corporations

Names of associated corporations (Canadian and foreign)	Permanent establishment in Canada?	Ontario Account Number	Taxation Year End
Innisfil Energy Services Limited	Yes	1800333	2002/12/31

Names of associated corporations	Surtax on CCPCs	Corporate Minimum Tax		Capital Tax
	Taxable income	Total Assets	Total Revenue	Taxable Capital
Innisfil Energy Services Limited	34,517	1,254,089	177,471	235,693
Totals	34,517	1,254,089	177,471	235,693

Ontario

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

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2002/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
Innisfil Energy Services Limited	1800333	2002/12/31	34,517
		Total	34,517

*Transfer to **85** on the CT23*

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2002/12/31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Innisfil Energy Services Limited	1800333	2002/12/31	235,693
		Aggregate of taxable capital	235,693

Transfer to **540** of the CT23

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2002/12/31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

DEPOSITS	
Long term debt	545,925
	10,279,444
Total	10,825,369

*Transfer to **353** on the CT23*

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

Paid-Up Capital: Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2002/12/31

Name of Partnership or Joint Venture	Share of Partnership Using Profit Sharing Ratio (%)	Partnership/Joint Venture Paid-up Capital	Corporation's Share of Partnership/Joint Venture Paid-up Capital
Enerconnect	1.1913	1,296,989	15,451
		Total	15,451

*Transfer to **362** on the CT23*

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

Share of Total Assets - Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2002/12/31

Name of Partnership or Joint Venture	Share of Partnership using Profit Sharing Ratio (%)	Partnership/Joint Venture Total Assets	Corporation's Share of Partnership/Joint Venture Total Assets
Enerconnect	1.1913	1,328,965	15,832
		Total	15,832

*Transfer to **422** on the CT23*

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 642
33 King Street West
Oshawa ON L1H 8T1

CT23 - Certification Form Diskette Filing

Return I.D. # (Ministry Use Only)

Corporations Tax Account Number
1800117

Please check appropriate boxes if applicable:

- ☐ First year of filing
- ☐ Amended return
- ☐ Taxation year end has changed (approval by CCRA required)
- ☐ Exempt from filing
- ☐ Final taxation year up to Dissolution
- ☐ Final taxation year before Amalgamation
- ☐ Floating Fiscal year end
- ☒ Subject to CMT
- ☐ Change of Control fed.s.249(4)

Date Control was acquired:

Date of incorporation
2000/10/05

Return for taxation year
Start 2002/01/01
End 2002/12/31

CCRA Business No.
892422817RC0001

Jurisdiction Incorporated
Ontario

Corporation's legal name and mailing address
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED
Care of

Change of information? Yes ☐ No ☒

Address
2073 COMMERCE PARK DR

City	Province	Country	Postal code
INNISFIL	ON		L9S 4A2

Transmitter Details

Transmitter number	A0006001
Transmitter name	Grant Thornton LLP
Name of person to contact	
Telephone number	(705) 326-7605
Facsimile number	(705) 326-0837
Transmitter Address	279 Coldwater Rd W Orillia, Ontario L3V3M1
Disk Reference Number	

Aggregate of Total Revenue	**210**	19,701,358
Aggregate of Total Assets	**209**	26,476,956
Taxable Income (Non-capital Loss)	**10**	118,806
Total Tax Payable	**950**	61,057
Payments:	**990**	197,682
Enclosed:		

Apply to: Year 2003/12/31
Apply Amount: 136,625

975 Refund: Yes ☐ No ☒
If Yes, Due to:
- Loss Carryback: Yes ☐ No ☒
- Overpayment: Yes ☐ No ☒
- Refundable tax credit Yes ☐ No ☒

Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this 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
GREG YOUNG

Title
Treasurer

Full Residence address

City

Province	Country	Postal code

Signature

Phone Number	Date
(705) 431-4321	2004/02/10

ProFile Version 2002.4 Approval code 0090

Payment Advice

Corporations Tax Account Number	1800117
Date of Incorporation	2000/10/05
Corporation Name	
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	

Enter the amount of payment and indicate taxation year.

Taxation Year End	Payment amount
	$
2002/12/31	$
Total Payment	$

Submit your cheque (drawn on a Canadian financial institution) or money order in Canadian Funds, payable to: The Minister of Finance

Send to: Ontario Ministry of Finance
Corporations Tax Branch
P.O. Box 642
33 King Street West
Oshawa ON L1H 8T1

Incomplete information will result in a delay processing an assessment.

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that does not have a permanent establishment in Canada)

Schedule CT22

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2002/12/31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that does not have a permanent establishment (PE) in Canada.

Name of Associated Corporation (does not have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
		Aggregate of taxable capital	

Transfer to ***514*** *of the CT23*

Ontario tax instalments

Instalment base

Year-end	Estimate for current year 2003/12/31	First instalment base 2002/12/31	Second instalment base 2001/12/31
Taxable income		118,806	
Base amount of tax		14,851	
Small business tax credit		7,722	
Surtax on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
Income tax payable		7,129	
Corporate minimum tax payable			
Capital tax payable		53,928	
Premium tax payable			
Total tax payable		61,057	
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years		61,057	
Estimated tax credits for the current year			
Instalment base		61,057	
Monthly payment		5,088	
Quarterly payment		15,264	

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
- ☐ 2. based on the first instalment base
- ☒ 3. based on the first and second instalment base
- ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2003/01/31			
2003/02/28			
2003/03/31	6,106		
2003/04/30	6,106		
2003/05/31	6,106		
2003/06/30	6,106		
2003/07/31	6,106		
2003/08/31	6,106		
2003/09/30	6,106		
2003/10/31	6,106		
2003/11/30	6,106		
2003/12/31	6,106		
Total	61,060		

Detach and return this REMITTANCE FORM with your payment.

Ontario

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

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800117

35
PX5003

INNISFIL HYDRO DISTRIBUTION SYSTEMS
C/O GREG YOUNG, TREASURER
2073 COMMERCE PARK DR

INNISFIL ON
L9S 4A2

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2003 12 31

Payment Amount: $

Total Payment Enclosed: $

Ontario

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

Keep this portion for your records.

Notice of Assessment

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

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

Account No.	Assessment Date (year, month, day)	Page
1800117	2004/08/12	1 of 1

ASSESSMENT NO. 50

Tax: Federal and Provincial PIL		637,679.00
Assessment Interest		2,090.71
Total Assessment Liability		639,769.71

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers		
Sub-Total	640,780.61CR	640,780.61CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		1,010.90CR

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

RECEIVED AUG 2 3 2004

ENTERED AUG 2 3 2004

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide (T4012)*.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business number (BN) (item 11) 001 89242 2817 RC 0001

Corporation's name (item 12)
002 INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

PLEASE RETAIN THIS COPY FOR YOUR FILES

Has the corporation changed its name since the last time we were notified? 003 ☐ Yes ☒ No

If *yes*, do you have a copy of the articles of amendment? 004 ☐ Yes ☐ No

Address of head office (item 13)
Has the address changed since the last time we were notified? 010 ☐ Yes ☒ No
011 2073 COMMERCE PARK DR
012
City: 015 INNISFIL
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal code/Zip code: 018 L9S 4A2

To which taxation year does this return apply? (item 17)
From 060 2003/01/01 to 061 2003/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 ☐ Yes ☒ No

If *yes*, provide date control was acquired 065

Is the corporation a professional corporation that is a member of a partnership? (item 18) 067 ☐ Yes ☒ No

Mailing address (if different from head office address) (item 14)
Has the address changed since the last time we were notified?
020 Yes ☐ No ☒
021 C/o
022 2073 COMMERCE PARK DR
023
City: 025 INNISFIL
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal code/Zip code: 028 L9S 4A2

Is this the first year of filing after:
Incorporation? (item 19) 070 ☐ Yes ☒ No
Amalgamation? (item 20) 071 ☐ Yes ☒ No
If *yes*, complete Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)
If *yes*, complete Schedule 24 072 ☐ Yes ☒ No

Location of books and records (item 15)
031 2073 COMMERCE PARK DR
032
City: 035 INNISFIL
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal code/Zip code: 038 L9S 4A2

Is this the final taxation year before amalgamation? (item 22) 076 ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23) 078 ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24) 080 ☒ Yes ☐ No
If *no*, give the country of residence. 081

Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24) 082 ☐ Yes ☒ No
If *yes*, complete Schedule 91

040 Type of corporation at end of taxation year (item 16)
1 ☒ Canadian controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (please specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)
085 1 ☐ Exempt under 149(1)(e) or (l)
2 ☐ Exempt under 149(1)(j)
3 ☐ Exempt under 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

Attachments

Guide item			Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	X	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172		-----
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	X	3
69-76	Is the corporation claiming any type of losses?	204		4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	X	6
103	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or (ii) is the corporation claiming the refundable portion of Part I tax?	207	X	7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210	X	10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213	X	13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661/T665
124	Is the corporation subject to Part 1.3 tax?	233	X	33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	X	36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40

Attachments - Continued from page 2

Guide item		Yes	Schedule
128 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	☐	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253	☐	T1131
130 Is the corporation subject to Part XIII.1 tax?		☐	92 *
153 Is the corporation claiming a film or video production services tax credit refund?		☐	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		☐	T1134-A
44 Did the corporation have any controlled foreign affiliates?		☐	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over $100,000?		☐	T1135
44 Did the corporation transfer or loan property to a non-resident trust?		☐	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		☐	T1142
- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		☐	T1145
- Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		☐	T1146
- Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		☐	T1174

Additional information

Is the corporation inactive? (item 48)	280	1 Yes ☐	2 No ☒
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	281	1 Yes ☐	2 No ☒
What is the corporation's major business activity? (item 50) (Only complete if *yes* was entered at line 281.)	282		
If the major activity involves the resale of goods, indicate whether is is wholesale or retail (item 51)	283	1 Wholesale ☐	2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)

284	Electricity Distributor	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes ☐	2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)			300	1,570,084 A
Deduct: Charitable donations from Schedule 2 (item 78)	311			
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	312			
Cultural gifts from Schedule 2 (item 80)	313			
Ecological gifts from Schedule 2 (item 81)	314			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320			
Part VI.1 tax deduction from Schedule 43 (item 83)*	325			
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331			
Net capital losses of preceding taxation years from Schedule 4 (item 85)	332			
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333			
Farm losses of prior taxation years from Schedule 4 (item 87)	334			
Limited partnership losses of prior years from Schedule 4 (item 88)	335			
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340			
Prospector's and grubstaker's shares (item 90)	350			
Subtotal			▶	B
Subtotal (amount A minus amount B) (if negative, enter "0")				1,570,084 C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)			355	D
Taxable income (amount C plus amount D) (item 92)			360	1,570,084
Income exempt under paragraph 149(1)(t) (item 93)			370	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)				Z

* If the taxation year ends after December 31, 2002, use "3" Instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the *T2 Corporation Income Tax Guide*.

Small business deduction

Canadian-controlled private corporations throughout the taxation year

Income from active business carried on in Canada from Schedule 7 (item 95)	400	1,569,692	A
Taxable income from line 360 on page 3, **minus** 10/3 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 (item 96)	405	1,570,084	B

Calculation of the business limit: (item 97)
for all CCPCs, calculate the amount at line 4 below

$200,000 x	Number of days in the taxation year before 2003 / Number of days in the taxation year	365	=	1
$225,000 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	= 225,000	2
$250,000 x	Number of days in the taxation year in 2004 / Number of days in the taxation year	365	=	3
	Add amounts at line 1, 2, and 3		225,000	4

Business limit (see notes 1 and 2 below)	410	225,000	C

Notes: 1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on like 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410

Business limit reduction: (item 98)

Amount C 225,000 X **415 ***** 28,598 / 11,250 D = 571,960 E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	0	F
Small business deduction - 16% of the least of amounts A, B, C, and F (enter amount G of line 9 on page 7)	430	0	G

Accelerated tax reduction (item 99)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)		x	=	A
Net active business income (amount from line 400)*				B
Taxable income from line 360 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 (item 96)			C	
Deduct:				
Aggregate investment income (amount from line 440 of page 6)			D	
Amount C minus amount D (if negative, enter "0")			▶	E
Amount A, B, or E above, whichever is less				F
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	G	
Amount QQ from Part 13 of Schedule 27			H	
Taxable resource income from line 435 on page 5			I	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			J	
Amount on line 400, 405, 410 or 425, whichever is less			K	
Total of amounts G, H, I, J, and K			▶	L
Amount F minus amount L (if negative, enter "0")				M
Accelerated tax reduction - 7% of amount M (Enter amount N on line 637 of page 7)				N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction (item 100)

Taxable resource income				435	A
Amount A ____ x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	x 1% =		B
Amount A ____ x	Number of days in the taxation year in 2004 / Number of days in the taxation year	____ / 365	x 2% =		C
Resource deduction - amount B plus amount C (enter amount D on line 10 of page 7)				438	D

General tax reduction for Canadian-controlled private corporations (item 101)

Canadian-controlled private corporations throughout taxation year

Taxable income from line 360 page 3			1,570,084	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	
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less		____	F	
Aggregate investment income from line 440 of page 6		392	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		392 ▶		392 I
Amount A minus amount I (if negative, enter "0")				1,569,692 J

Amount J 1,569,692 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	____ / 365	x 1% =	____	K
Amount J 1,569,692 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	____ / 365	x 3% =	____	L
Amount J 1,569,692 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	x 5% =	78,485	M
Amount J 1,569,692 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	____ / 365	x 7% =	____	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)				78,485	O

General tax reduction (item 102)

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 on page 3				A
Amount Z from Part 9 of Schedule 27	____ x 100 / 7 =	____	B	
Amount QQ from Part 13 of Schedule 27		____	C	
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	
Total of amounts B, C, D and E		____ ▶		F
Amount A minus amount F (if negative, enter "0")				G

Amount G ____ x	Number of days in the taxation year in 2001 / Number of days in the taxation year	____	x 1% =	____	H
Amount G ____ x	Number of days in the taxation year in 2002 / Number of days in the taxation year	____	x 3% =	____	I
Amount G ____ x	Number of days in the taxation year in 2003 / Number of days in the taxation year	____	x 5% =	____	J
Amount G ____ x	Number of days in the taxation year after 2003 / Number of days in the taxation year	____	x 7% =	____	K
General tax reduction - total of amounts H, I, J and K (enter amount L on line 639 of page 7)				____	L

Refundable portion of Part I tax (item 103)

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (Amount P from Part 1 of Schedule 7)	440	392 X 26 2/3 % =		105	A
Foreign non-business income tax credit from line 632 on page 7					
Deduct:					
Foreign investment income (Amount O from Part 1 of Schedule 7)	445	X 9 1/3 % = (if negative, enter "0")			B
Amount A **minus** amount B (if negative, enter "0")				105	C
Taxable income from line 360 on page 3		1,570,084			
Deduct:					
Least of amounts on lines 400, 405, 410, and 425 on page 4					
Foreign non-business income tax credit from line 632 on page 7	x 25/9 =				
Foreign business income tax credit from line 636 on page 7	x 3 =				
		1,570,084	X 26 2/3% =	418,689	D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)		378,750			
Deduct corporate surtax from line 600 on page 7		17,585			
Net amount		361,165		361,165	E
Refundable portion of Part I tax - the least of amounts C, D, and E			450	105	F

Refundable dividend tax on hand (item 104)

Refundable dividend tax on hand at the end of the preceding tax year	460			
Deduct dividend refund for the previous taxation year	465			A
Add the total of:				
Refundable portion of Part I tax from line 450 above		105		
Total Part IV tax payable from line 360 on page 2 of Schedule 3				
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480			
		105	105	B
Refundable dividend tax on hand at the end of the taxation year - amount A plus amount B			485 105	

Dividend refund (item 105)

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3	200,000 X 1/3	66,667	A
Refundable dividend tax on hand at the end of the taxation year from line 485 above		105	B
Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8)		105	

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106) — **550** 596,632 A

Corporate surtax calculation (item 107)

Base amount from line A above		596,632	1
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		157,008	2
Investment corporation deduction from line 620 below			3
Federal logging tax credit from line 640 below			4
Federal qualifying environment trust tax credit from line 648 below			5
For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b and c below on line 6:			
28% of taxable income from line 360 on page 3	a		
28% of taxed capital gains	b		6
Part I tax otherwise payable (line A **plus** line C and D **minus** line F)	361,139 c		
Total of lines 2 to 6		157,008	7
Net amount (line 1 minus line 7)		439,624	8

Corporate surtax - 4% of the amount on line 8 — **600** 17,585 B

Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108) — **602** C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income (for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6		392	i
Taxable income from line 360 on page 3	1,570,084		
Deduct:			
The least of amounts on lines 400, 405, 410, and 425 on page 4			
Net amount	1,570,084 ▶	1,570,084	ii

Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amounts i or ii — **604** 26 D

Subtotal (add lines A, B, C, and D) 614,243 E

Deduct:

Small business deduction from line 430 on page 4			9
Federal tax abatement (item 110)	608	157,008	
Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111)	616		
Investment corporation deduction (item 112)	620		
(Taxed capital gains **624**)			
Additional deduction - credit unions from Schedule 17 (item 113)	628		
Federal foreign non-business income tax credit from Schedule 21 (item 114)	632		
Federal foreign business income tax credit from Schedule 21 (item 115)	636		
Accelerated tax reduction from amount N of page 4 (item 116)	637		
Resource deduction from line 438 of page 5			10
General tax reduction for CCPC's from amount O of page 5 (item 117)	638	78,485	
General tax reduction from amount L of page 5 (item 117)	639		
Federal logging tax credit from Schedule 21 (item 118)	640		
Federal political contribution tax credit (item 119)	644		
Federal political contributions **646**			
Federal qualifying environmental trust tax credit (item 120)	648		
Investment tax credit from Schedule 31 (item 121)	652		
Subtotal		235,493 ▶	235,493 F

Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 122) — 378,750 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7 (item 123)	700	378,750
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704	9,214
Part II surtax tax payable from Schedule 46 (item 125)	708	
Part IV tax payable from Schedule 3 (item 126)	712	
Part IV.1 tax payable from Schedule 43 (item 127)	716	
Part VI tax payable from Schedule 38 (item 128)	720	
Part VI.1 tax payable from Schedule 43 (item 129)	724	
Part XIII.1 tax payable from Schedule 92 (item 130)	727	
Part XIV tax payable from Schedule 20 (item 131)	728	
Total federal tax		387,964

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 132) 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133)	760		
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147)	765		
Total tax payable	770	387,964	A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 148)	780			
Dividend refund from Page 4 (items 149)	784	105		
Federal capital gains refund from Schedule 18 (item 150)	788			
Federal qualifying environmental trust tax credit refund (item 151)	792			
Canadian film or video production tax credit refund from Form T1131 (item 152)	796			
Film or video production services tax credit refund from Form T1177 (item 153)	797			
Tax withheld at source (item 154)	800			
Total payments on which tax has been withheld (item 154) 801				
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804			
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808			
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812			
Royalties deductible under Syncrude Remission Order 815				
Tax remitted under Syncrude Remission Order (item 158)	816			
Tax instalments paid (item 159)	840	387,859		
Total credits	890	387,964	387,964	B
Balance (line A minus line B)			0	I

Refund Code 894 ☐ (item 160) Overpayment (item 163)

Direct Deposit Request (item 164)

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid (item 163)
Enclosed payment (item 162) 898

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? (item 161) 896 1 Yes ☐ 2 No ☒ NA ☐

Certification (item 165)

950 YOUNG (Surname) 951 GREG (First name) 954 Treasurer (Position, office or rank)

955 2004/06/28 (Date) 956 (705) 431-4321 (Telephone number)

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 Name 959 ( ) - Telephone number

Language of correspondence - Langue de correspondance (item 166)

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

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NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements				A	700,745
Add:					
Provision for income taxes - current		101	555,000		
Amortization of tangible assets		104	1,395,729		
Amortization of intangible assets		106	18,992		
Income/loss for tax purposes - joint ventures/partnerships		109	8,057		
Taxable capital gains - Schedule 6		113	392		
Non-deductible meals and entertainment expenses	2,249 X 50%	121	1,125		
Tax reserves deducted in prior year - Schedule 13		125	43,357		
Total of fields 201 to 294		199	369,386		
Total of fields 101 to 199		500	2,392,038	▶	2,392,038
Deduct:					
Gain on disposal of assets per financial statements		401	3,689		
Capital cost allowance - Schedule 8		403	1,084,126		
Cumulative eligible capital deduction - Schedule 10		405	39,582		
Tax reserves claimed in current year - Schedule 13		413	43,357		
Total of fields 300 to 394		499	351,945		
Total of fields 401 to 499		510	1,522,699	▶	1,522,699
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)					1,570,084

Add:

Other additions:

602 Capital Tax booked in 2003	**292**	71,000
603 Par. 12 (1)(x) contributions capitalized on F/S	**293**	298,386
Total of fields 201 to 294 (Enter this amount at line 199)		369,386

Deduct:

Other deductions:

700 Ss. 13(7.4) election re Contributions in aid of construction	**390**	298,386
701 Ontario Capital Tax in 2003 per CT 23	**391**	53,559
Total of fields 300 to 394 (Enter this amount at line 499)		351,945

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DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

Schedule 3

- This schedule is for use by any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraph 113(1)(a),(b) or (d); or
  - taxable dividends paid for purposes of a dividend refund
- A recipient corporation is connected with a payer corporation at any time in the taxation year if the recipient corporation either (i) controls (other than because of a right referred to in paragraph 251(5)(b)) the payer corporation, or (ii) owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.

Part 1 - Dividends received during the year

A	B	C	D	E	F
Name of payer corporation 200	Connected? 205	Dividends from foreign source?	Dividends subject to Part IV tax?	Dividends deductible from income under s.112, 113, and 138(6) 240	Non-taxable dividends deductible under section 83 230
	N/A	N/A	N/A		

Complete if payer corporation is connected and a private or subject corporation				
G	H	I	J	K
Business number 210	Taxation year end of the payer corporation in which the dividend was paid 220	Total taxable dividends paid by connected corporation 250	Dividend refund of the connected corporation 260	Part IV tax before deductions ** 270
RC		0	0	0

Total non-taxable dividends deductible under section 83 _____

Total dividends deductible from income under sections 112, 113, and 138(6) _____

** For dividends received from non-connected corporations, Part IV tax = the amount entered in column E x 1/3
For dividends received from connected corporations, do the following calculation: Part IV tax = column E x column J / column I
Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
Public corporations (other than subject corporations) do not need to calculate Part IV tax.

Part 2 - Calculation of Part IV tax payable

Part IV tax before deduction (total of columns K in Part 1) _____

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax 320 _____

Subtotal _____

Deduct:

Current year non-capital losses claimed to reduce Part IV tax 330 _____

Non-capital losses from prior years claimed to reduce Part IV tax 335 _____

Current year farm losses claimed to reduce Part IV tax 340 _____

Farm losses from prior years claimed to reduce Part IV tax 345 _____

Total losses applied against Part IV tax _____ x 1/3 = _____

Part IV tax payable (enter amount on line 712 of the T2 return) 360 0

Part 3 - Taxable dividends paid in the taxation year for purposes of a dividend refund

A	B	C	D
Name of connected recipient corporation 400	Business number 410	Taxation year end of the connected recipient corporation in which the dividend was received 420	Taxable dividends paid to connected corporations 430
Town of Innisfil	RC	2003/12/31	200,000
	RC		
Total taxable dividends paid in the taxation year to connected corporations (total of column D)			200,000

Total taxable dividends paid in the taxation year to other than connected corporations 450 _____

Total taxable dividends paid for the purposes of a dividend refund 460 200,000

DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

'Part 4' - Total dividends paid in the taxation year

Complete this part if the **total taxable dividends paid** for purposes of a dividend refund (line 460) above, is **different** from the **total dividends paid** in the taxation year.

Total dividends paid in the taxation year			500	
Deduct:				
Dividends paid out of capital dividend account	510			
Capital gains dividends	520			
Dividends paid on shares described in subsection 129(1.2)	530			
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540			
Deemed dividends paid on a small business development bond	550			
Subtotal				
Taxable dividends paid for the purposes of a dividend refund				0

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DISPOSITIONS OF CAPITAL PROPERTY

Schedule 6

For use by corporations that have disposed of capital property or claimed an allowable business investment loss in the taxation year.

Designation under paragraph 111(4)(e) of the *Income Tax Act*

Are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e)?

050 Yes ☐ No ☒ If *yes*, attach a statement specifying which properties are subject to such a designation.

1 Types of capital property				2 Date of acquisition	3 Proceeds of disposition	4 Adjusted cost base (ACB)	5 Outlays and expenses	6 Gain (or loss) (3 - (4 + 5))
Part 1: Shares								
Period	No. of shares **100**	Name of corporation **105**	Class of shares **106**	Date **110**	Proceeds **120**	ACB **130**	Outlays **140**	Gain (or loss) **150**
1								

Total		A
Gain (loss) on dispositions before February 28, 2000		A1
Gain (loss) on dispositions after February 27, 2000 and before October 18, 2000		A2
Gain (loss) on dispositions after October 17, 2000		A3

Part 2: Real estate - Do not include losses on depreciable property.

Period	Municipal address **200**	Date **210**	Proceeds **220**	ACB **230**	Outlays **240**	Gain (or loss) **250**
1	Address: City Province Country Postal code					

Total		B
Gain (loss) on dispositions before February 28, 2000		B1
Gain (loss) on dispositions after February 27, 2000 and before October 18, 2000		B2
Gain (loss) on dispositions after October 17, 2000		B3

Part 3: Bonds

Period	Face value **300**	Maturity date **305**	Name of issuer **307**	Date **310**	Proceeds **320**	ACB **330**	Outlays **340**	Gain (or loss) **350**
1								

Total		C
Gain (loss) on dispositions before February 28, 2000		C1
Gain (loss) on dispositions after February 27, 2000 and before October 18, 2000		C2
Gain (loss) on dispositions after October 17, 2000		C3

Part 4: Other properties - Do not include losses on depreciable property.

Period	Description **400**	Date **410**	Proceeds **420**	ACB **430**	Outlays **440**	Gain (or loss) **450**
3	Transformers	2003/12/31	16,443	15,660		783
3						

Total	783	D
Gain (loss) on dispositions pre-February 28, 2000		D1
Gain (loss) on dispositions after February 27, 2000 and before October 18, 2000		D2
Gain (loss) on dispositions after October 17, 2000	783	D3

DISPOSITIONS OF CAPITAL PROPERTY

Part 5: Personal-use property

Period	Description 500	Date 510	Proceeds 520	ACB 530	Outlays 540	Gain only 550
1						

Note: Losses are not deductible

Total		E
Gain on dispositions pre-February 28, 2000		E1
Gain on dispositions after February 27, 2000 and before October 18, 2000		E2
Gain on dispositions after October 17, 2000		E3

Part 6: Listed personal property

Period	Description 600	Date 610	Proceeds 620	ACB 630	Outlays 640	Gain (or loss) 650
1						

Note: Net listed personal property losses may only be applied against listed personal property gains.

Total			
Subtract: Unapplied listed personal property losses from other years	655		
Net gains (or loss)			F

Amount from line 655 is from line 530 in Part 5 of Schedule 4.

LPP gains or losses on dispositions before February 28, 2000			
Subtract: Portion of amount on line 655 applicable to gain on disposition before February 28, 2000			
Net gain (loss) on dispositions before February 28, 2000	657		F1
LPP gains or losses on dispositions after February 27, 2000 and before October 18			
Subtract: Portion of amount on line 655 applicable to gain on dispositions after Feb 27, 2000 and before Oct 18, 2000			
Net gain (loss) on disposition after February 27, 2000 and before October 18, 2000	658		F2
LPP gains or losses on dispositions after October 17, 2000			
Subtract: Portion of amount on line 655 applicable to gain on disposition after October 17, 2000			
Net gain (loss) on disposition after October 17, 2000	659		F3

Part 7 - Property qualifying for and resulting in an allowable business investment loss

Period	Name of small business corporation 900	Shares or debt 905	Date 910	Proceeds 920	ACB 930	Outlays 940	Loss 950
1		N/A					

Note: Properties listed in part 7 should not be included in any other parts of Schedule 6

Total		G
Loss on dispositions before February 28,2000		G1
Loss on dispositions after February 27, 2000 and before October 18, 2000		G2
Loss on dispositions after October 17, 2000		G3

Determining capital gains or losses

		Period 1 (A1 - G1)		Period 2 (A2 - G2)		Period 3 (A3 - G3)		Total (A - F)	
Total amounts A to F (don't include F if the amount is a loss)	770		670		570	783		783	H
Add:									
Capital gains dividends received in the taxation year	775		675		575		875		
Capital gains reserve opening balance (from schedule 13)							880		
Subtotal						783		783	I
Deduct:									
Capital gains reserve closing balance (from schedule 13)	785		685		585		885		
Capital gains or losses (excluding business investment loss)	790		690		590	783	890	783	

Note 1

Enter the amount for capital gains reserve from line 880 in whichever one of the three calculations above has a time frame which corresponds with the taxation year start of this corporation.

DISPOSITIONS OF CAPITAL PROPERTY

Inclusion rate

	Gains /loss		Inclusion rate		Net capital gain / Net capital loss	
Amount from line 790		J	x 75.0000 % =			JJ
Amount from line 690		K	x 66.6667 % =			KK
Subtotal (note 2)		a	x % =			aa
Amount from line 590	783	L	x 50.0000 % =		392	LL
Total (note 3)	783	b	x 50.0639 %		392	bb
Inclusion rate for the year (bb divided by b)					50.0000 %	M

Note 2
If one of either line **J** or line **K** is positive, and the other one is negative, enter the difference (gain or loss) on the **subtotal** line. On the **inclusion rate** line, enter the inclusion rate applicable to the period from which the larger amount originates, and calculate the net gain or net loss at line **aa** based on that rate. In this case, it would not be necessary to calculate an amount at **JJ** and **KK**. Otherwise, add lines **J** and **K** and lines **JJ** and **KK** for the subtotals. At the **inclusion rate** line between **a** and **aa**, enter the result of **aa** divided by **a**.
This rate may be required in further calculations.

Note 3
If one or either line **a** or line **L** is positive, and the other is negative, enter the difference (gain or loss) on the total line. On the **inclusion rate** line, enter the inclusion rate applicable to the period from which the larger amount originates, and calculate the net gain or net loss at line **bb** based on that rate. This could be the rate referred to at the end of note 2 above. In this case, it would not be necessary to calculate an amount at line **LL**. Otherwise, add lines **a** and **L**, and lines **aa** and **LL** for the totals

Determination of taxable capital gains, total capital losses and allowable business investment losses

Amount from line 890			783	N
Gain on donations of a share, debt obligation, or right listed on a prescribed stock exchange and amounts under paragraph 38(a.1) of the Act (for donations made after February 18, 1997, and before the year 2002 to charities other than private foundations)		x 1/2 = **895**		
Amount on line N **minus** line 895			783	O
Amount of gains on donations of ecologically sensitive land after February 27, 2000		x 1/2 = **896**		
Amount on line O **minus** line 896 If this amount is a loss, enter on line 210 of Schedule 4.			783	P
Taxable capital gains (line P 783 X line M 50.0000) Enter the amount from line Q on line 113 of Schedule 1.			392	Q
Allowable business investment loss (line G X line M 50.0000) Enter the amount from line R on line 406 of Schedule 1.				R

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AGGREGATE INVESTMENT INCOME AND ACTIVE BUSINESS INCOME

Schedule 7

Use this form for Canadian-controlled private corporations to calculate:

- aggregate investment income and foreign investment income for the purpose of determining the refundable portion of Part I tax, as defined in subsection 129(4) of the *Income Tax Act*;
- income from an active business carried on in Canada for the small business deduction; and
- specified partnership income for members of a partnership(s).

Details of property income (losses)

	Foreign	Aggregate
Taxable dividends deductible from Schedule 3		
Related expenses	-	-
Taxable dividends deductible after deducting related expenses	=	=
Net rental income (loss) before CCA:		
Subtotal		
Capital cost allowance	-	-
Net rental income (loss)	=	=
Exempt income	+	+
Amounts received from NISA Fund No. 2	+	+
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) of the *Income Tax Act*	+	+
Interest and other property income:		
	+	+
Total income (losses) from property	=	=

Part 1 - Aggregate and foreign investment income calculation		FOREIGN investment income	AGGREGATE investment income	
The eligible portion of taxable capital gains included in income for the year		001	002 392	A
	Eligible portion of allowable capital losses for the year (including allowable business investment loss)	009	012	B
	Net capital losses of other years claimed at line 332 on the T2 return		022	C
Total of amounts B and C				D
Amount A **minus** amount D (if negative, enter "0")		0	392	E
Total income from property (in box 32 include income from a specified investment business carried on in Canada other than income from a source outside Canada)		019	032	F
	Exempt income	029	042	G
	Amounts received from NISA Fund No. 2 that were included in computing the corporation's income for the year		052	H
	Taxable dividends deductible from Schedule 3, and taxable dividends deductible under p.113 (1)(d) and ss.113(2)	049	062	I
	Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059	072	J
Total of amounts G, H, I, and J				K
Amount F **minus** amount K				L
Total of amount E **plus** amount L			392	M
Total losses from property (in box 82 include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)		069	082	N
Amount M **minus** amount N (if negative, enter "0")		079 O 0	092 P 392	

Note: The aggregate investment income is the aggregate world source income.

Enter amount O, foreign investment income, on line 445 of the T2 return.
Enter amount P, aggregate investment income, on line 440 of the T2 return.

AGGREGATE INVESTMENT INCOME AND ACTIVE BUSINESS INCOME

Part 2 - Specified partnership income

A Partnership name 200			B Total income (loss) from active business 300	C Corporation's share of amount in column B 310
	Start of fiscal period	End of fiscal period		

D Adjustments (add reserves deducted under ss.34.2(5) and deduct expenses) 315	E Corporation's income (loss) of the partnership (column C plus column D) 320	F # of days in the partnership's fiscal period 325	G Prorated business limit (column C ÷ column B) x [business limit* x (column F ÷ 365)]** 330	H Column E **minus** column G (if negative, enter "0")	I Lesser of columns E and G (if negative, enter "0") 340
Total	350		Total	385	360

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) - enter as a positive amount 370

Specified partnership loss of the corporation for the year - enter as a positive amount (total of all negative amounts in column E) 380

Totals of line 370 and 380 ▶ J

Amount at line 385 or line J, whichever is less 390

Specified partnership income (line 360 **plus** line 390) 400

* Use $200,000 for fiscal periods ending prior to 2003.
Use $225,000 for fiscal periods ending in 2003.
Use $250,000 for fiscal periods ending in 2004.
Use $275,000 for fiscal periods ending in 2005.
Use $300,000 for fiscal periods ending in 2006 or later.

** When a partnership carries on more than one business, one of which generates income and another realizes a loss, the partnership loss is not netted against the partnership's income.

Part 3 - Determination of partnership income

Corporation's share of partnership income from active businesses carried on in Canada after deducting related expenses - from line 350 above (if the net amount is negative, enter "0" on line O) K

Add: Specified partnership loss (from line 380 above) L

Subtotal M

Deduct: Specified partnership income (from line 400 above) N

Partnership income* (enter on line S below) 450 O

* If the amount on line 450 is positive, complete Schedule 70.

Part 4 - Income from active businesses carried on in Canada

Net income for income tax purposes from line 300 of the T2 return 1,570,084 P

Deduct: Foreign business income after deducting related expenses * 500

Taxable capital gains **minus** allowable capital loss amount A **minus** amount B* (page 1) ** 392

Net property income = amount F **minus** amounts G, H and N * (page 1) Q

Personal services business income after deducting related expenses * 520

392 392

Net amount 1,569,692 R

Deduct Partnership income (amount 450 above) S

Income from active business carried on in Canada (enter on line 400 of the T2 return - if negative, enter "0") 1,569,692 T

* If negative, enter amount in brackets, and add instead of subtract.
** This amount may only be negative to the extent of any allowable business investment losses.

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CAPITAL COST ALLOWANCE

Schedule 8

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

1 Class **200**	2 UCC at start of year **201**	3 Cost of additions in the year **203**	4 Net adjustments **205**	5 Proceeds of dispositions in the year **207**	7 Adjustment for additions (1/2 x (col 3 - 5)) **211**	8 Base amount for CCA	9 Rate % **212**	10 CCA for the year (col 8 x 9 or a lower amount) **217**	11 Recapture of CCA **213**	12 Terminal loss **215**	13 UCC at the end of the year **220**
1	19,196,471	809,258	(298,386)	19,797	245,146	19,442,400	4	777,696			18,909,850
8	690,287	89,566			44,783	735,070	20	147,014			632,839
10	165,403	14,731			7,366	172,768	30	51,830			128,304
12	83,393	48,387			24,194	107,586	100	107,586			24,194
Totals	20,135,554	961,942	(298,386)	19,797	321,489	20,457,824		1,084,126			19,695,187

S8Supp

Reconciliation of NBV and UCC

NBV of capital assets, beginning of year		21,140,217		
Less: Land		1,135,120		
NBV of depreciable capital assets, beginning of year		20,005,097		20,005,097
UCC beginning of year				20,135,554
Timing difference, beginning of year				(130,457) A
CCA and amortization				
CCA claimed	+	1,084,126		
Terminal loss	+			
Recapture	-			
Amortization per financial statements	-	1,395,729		
Class 10.1				
Difference on purchase (cost _____ less ceiling _____)	+			
Beginning UCC less CCA in year of disposal	+			
NBV of class 10.1 asset prior to sale (proceeds, if financial statement gain)	-			
Gains and losses				
Gain on disposal of capital assets per financial statements	+	3,689		
Capital loss portion of total loss	+			
Loss on disposal of capital assets per financial statements	-			
Capital gain portion of total gain	-	783		
Other				
Operating leases capitalized for financial statement purposes				
Deductible items capitalized for financial statement purposes				
Section 85 difference				
Pre-valuation day depreciation				
Timing difference, current year		(308,697)	+	(308,697) B
Timing difference, end of year (A + B)				(439,154) C
Proof				
NBV of capital assets, end of year		20,372,541		
Less: Land		1,116,807		
NBV of depreciable capital assets, end of year		19,255,734		19,255,734
UCC end of year		19,695,187		
Less: Ending Class 14 balance	-			
Adjusted UCC	=	19,695,187	=	19,695,187
Timing difference as at 2003/12/31 (amount D should equal amount C)				(439,453) D

Notes

Difference of 299 not material

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RELATED AND ASSOCIATED CORPORATIONS

Schedule 9

This form is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name 100	Country (if not Canada) 200	Business # (Canadian corporation only) 300	Code note 1 400	Common shares # owned 500	Common shares % owned 550	Preferred shares # owned 600	Preferred shares % owned 650	Book value of capital stock 700
Innisfil Energy Services Limited		86556 4595 RC 0001	3					
Town of Innisfil		RC	1	1,000	100.000			10,852,444
		RC	0					

Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Schedule 10

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

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - balance at beginning of taxation year (if negative, enter nil)				200	564,943	A
Add:						
Cost of eligible capital property acquired during the taxation year	222	680	B			
Transfer from predecessor or subsidiary corporation	224		C			
Other adjustments	226		D			
(add amounts B, C, and D)		680	x 3/4 =		510	E
Subtotal (amount A **plus** amount E)				230	565,453	F
Deduct:						
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	242		G			
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H			
Other adjustments	246		I			
(add amounts G, H, and I)			x 3/4 =	248		J
Cumulative eligible capital balance (amount F **minus** amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)					565,453	K
Current year deduction amount K		565,453	x 7% =	250	39,582	L
(Deduct amount L on line 405 of Schedule 1)						
Cumulative eligible capital balance at the end of the taxation year				300	525,871	M

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

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

(complete this part only if line K is negative)

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

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

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

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CONTINUITY OF RESERVES

Schedule 13

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 - Capital gains reserves

Description of property 001	Balance at the beginning of the year 002	Transfer on wind-up or amalgamation 003	Balance at the end of the year 004
Totals	008	009	010

The total capital gains reserve at the beginning of the taxation year plus the total transfer on wind-up or amalgamation should be entered on line 880, and the total capital gains reserve at the end of the taxation year should be entered on line 885 of Schedule 6.

Part 2 - Other reserves not deducted for accounting purposes

Description of property	Balance at the beginning of the year	Transfer on wind-up or amalgamation	Balance at the end of the year
Reserve for doubtful debt	110	115	120
Reserve for undelivered goods and services not rendered	130	135	140
Reserve for prepaid rent	150	155	160
Reserve for December 31, 1995 income	170	175	180
Reserve for returnable containers	190	195	200
Reserve for unpaid amounts	210	215	220
Other tax reserves *	230 43,357	235	240 43,357
Totals	270 43,357	275	280 43,357

The amount from line 270 plus the amount from line 275 should be included on line 125 of Schedule 1 as an addition.
The amount from line 280 should be included on line 413 of Schedule 1 as a deduction.

Part 3 - Accounting reserves not deductible for tax purposes

Description of property	Balance at the beginning of the year	Balance at the end of the year
Totals	A	B

Enter amount A on line 414 of Schedule 1 as a deduction.
Enter amount B on line 126 of Schedule 1 as an addition.

* 2001 Transitional Costs $12,700
2002 Transitional Costs 30,657
$43,357

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AGREEMENT AMONG ASSOCIATED CCPCs TO ALLOCATE THE BUSINESS LIMIT (2003 and later taxation years)

Schedule 23

Allocation of the business limit

Date filed (for departmental use only) 025

Enter the calendar year to which the agreement applies 050 2003

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? 075 ☐ 1 Yes ☒ 2 No

	1 Names of associated corporations 100	2 Business Number 200	3 Association code 300
1	INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	89242 2817 RC 0001	4
2	Innisfil Energy Services Limited	86556 4595 RC 0001	4
3		RC	0
		RC	0

Allocate business limit using: ☒ % ☐ $

	Taxation year Start	Taxation year End	4 Business limit for the year (before allocation) $	Allocating business limit: 5 Percentage of the business limit (%) 350	6 Allocation of business limit * $ 400	Provincial allocation for Alberta and Ontario (based on $200,000)	7 Year end to which this agreement applies if more than one taxation year end in a calendar year 500
1	2003/01/01	2003/12/31	225,000	100.000	225,000	200,000	
2	2003/01/01	2003/12/31	225,000				
3							
TOTALS				100.000	A 225,000	200,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. $ 225,000

	Last taxation year ending in the preceding calendar year: Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part I.3 tax for business limit reduction	Current year: Grossed-up reduced business limit
1	118,806	118,806		28,228	
2	34,517	34,517		370	
3					
TOTALS	153,323	153,323		28,598	

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PART I.3 TAX ON LARGE CORPORATIONS

Schedule 33

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part I.3 tax for the purposes of unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms "financial institution", "long-term debt" and "reserves".
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the *T2 Corporation Income Tax Return* no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101			
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,444		
Retained earnings	104	579,820		
Contributed surplus	105	313,298		
Any other surpluses	106	487,292		
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	11,537,592		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111			
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112			
Subtotal		23,770,446	▶ 23,770,446	A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121			
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123			
The amount of deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal			▶	B
Capital for the year (amount A minus amount B) (if negative, enter "0")			190 23,770,446	

PART I.3 TAX ON LARGE CORPORATIONS

Part 2 - Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	1,859,642
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year	490	1,859,642

Part 3 - Taxable capital

Capital for the year (line 190)		23,770,446	C
Deduct: Investment allowance for the year (line 490)		1,859,642	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	21,910,804	

Part 4 - Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)						Taxable capital employed in Canada
21,910,804 x	Taxable income earned in Canada / Taxable income	610	1,570,084 / 1,570,084	=	690	21,910,804

Notes:
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a taxation year is "0" it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada			701	
Deduct the following amounts:				
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711			
Total of all amounts each of which is the carrying value at the end of the year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	712			
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713			
Total deductions (add lines 711, 712, and 713)				E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")			790	

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

PART I.3 TAX ON LARGE CORPORATIONS

Part 5 - Calculation of gross Part I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)		21,910,804
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	11,910,804

Line 811 11,910,804 x (Number of days in the taxation year before 2004 / Number of days in the taxation year) 365 / 365 x 0.00225 = 26,799 F

Line 811 11,910,804 x (Number of days in the taxation year in 2004 / Number of days in the taxation year) _____ / 365 x 0.002 = _____ G

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.

Subtotal (add amounts F and G) 26,799 K

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount K _____ X (Number of days in the year (_____) / 365) = _____ L

Gross Part I.3 tax (amount K or L, whichever applies) 820 26,799

Part 6 – Calculation of gross Part I.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies)	21,910,804	M
Deduct: Line 801 above 10,000,000	10,000,000	N
Excess (amount M minus amount N) (if negative, enter "0")	11,910,804	O
Amount Q 11,910,804 x 0.00225 =	26,799	P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:

Amount P _____ x (Number of days in the year (_____) / 365) = _____ Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) 821 26,799

PART I.3 TAX ON LARGE CORPORATIONS

Part 7 - Calculation of current year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount **a** or **b** at line R, whichever is less:

a) line 600 from the T2 return				a		
b) line 700 from the T2 return				b		R

In any other case, enter amount **c** or **d** at line S, whichever is less:

c) line 600 from your T2 return	17,585 x (line 690 ÷ line 500)	=	17,585	c		
d) line 700 from the T2 return			378,750	d	17,585	S
Current year surtax credit available (amount R or S, whichever applies)				830	17,585	

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		17,585
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		26,799
Current-year unused surtax credit (if negative, enter "0")	850	

Enter this amount at line 600 on Schedule 37.

Part 9 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			26,799	T
Deduct:				
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	17,585		
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	862			
Subtotal (cannot be more than amount on line 820)		17,585	17,585	U
Net Part I.3 tax payable (amount T minus amount U)			870 9,214	

Enter this amount at line 704 of the T2 return.

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AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

Schedule 36

- Members of a related group of corporations should use this schedule to allocate the capital deduction among the members of the related group. **Do not file this agreement if no members of the related group have to pay Part I.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal *Income Tax Act*, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Agreement

Date filed (for departmental use only) 010

Is this an amended agreement? 020 ☐ 1 Yes ☒ 2 No

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 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 * 500
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	89242 2817 RC 0001	10,000,000	yyyy/mm/dd
INNISFIL ENERGY SERVICES LIMITED	86556 4595 RC 0001	0	yyyy/mm/dd
	RC	0	yyyy/mm/dd
	Total	10,000,000	

* Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

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SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder **100**	Business Number * **200**	Social Insurance Number * **300**	Percentage common shares **400**	Percentage preferred shares **500**
Town of Innisfil	NR		100.000	
	RC			

* If the shareholder is a trust, enter NR at field 200 or NA at field 300.

TaxPaid

Tax instalments paid

Jurisdiction	Description	Date	Amount
Federal	Per Statement of Account	2004/04/30	387,859
Ontario	Per Statement of Account	2004/04/30	252,922
Federal			
		Total	640,781

* Enter Québec instalments paid on form CO-1027.VE

Summary by jurisdiction

Federal	387,859	Manitoba	
British Columbia		Ontario	252,922
Alberta			
Saskatchewan			

CT23:361: Other reserves

UCC	19,695,187
CEC	525,871
CEC permanent portion	206,258
NBV	-17,167,869
Less: Land	484,399
Regulatory Assets	-188,217
Appraisal Increment	-3,166,455
Amortization Appraisl Increment	368,826
Total	758,000

CT23:371: Line 371

2001 transition costs	12,700
2002 transition costs	30,657
2003 transition costs	0
Total	43,357

ONPaidUpCapLATable[0,0]

Customer credit balances & deposits	391,436
Less: credit account balances	-177,747
Customer deposits	378,459
Total	592,148

NBV of capital assets, beginning of year

NBV, Dec 31/02	17,935,545
Appraisal Incr. for tax only	3,266,455
Less Appraisal Increment on GW	-250,000
Regulatory Assets to S.8	188,217
Total	21,140,217

□Less: Land

Land	484,399
Appraisal Increment on Land	100,000
Land Rights (ECP)	550,721
Total	1,135,120

NBV of capital assets, end of year

NBV, Dec 31/03	17,167,869
Appraisal Incr. for Tax Only	3,266,455
Less: Appraisal Increment on Goodwill	-250,000
Regulatory Assets to S. 8	188,217
Total	20,372,541

□Less: Land

Land	484,399
Land Rights (ECP)	532,408
Appraisal Increment on Land	100,000
Total	1,116,807

S13:230: Other reserves - beginnning balance

2001 transition costs	12,700
2002 transition costs	30,657
Total	43,357

S33:108: All loans and advances to the corporation

Debt payable Town of Innisfil	9,949,444
Bank Loan	996,000
Unknown	0
Customer Credit Balances	-177,747
Customer Deposits	769,895
Total	11,537,592

S33;402: A loan or advance to another corporation

Notes from related parties	996,000
Settlement Variances > 365 days	863,642
Total	1,859,642

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T2 CORPORATION INCOME TAX RETURN

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide (T4012)*.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business number (BN) (item 11) 001 89242 2817 RC 0001

Corporation's name (item 12)
002
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

PLEASE RETAIN THIS COPY FOR YOUR FILES

Has the corporation changed its name since the last time we were notified? 003 ☐ Yes ☒ No

If *yes*, do you have a copy of the articles of amendment? 004 ☐ Yes ☐ No

Address of head office (item 13)
Has the address changed since the last time we were notified? 010 ☐ Yes ☒ No
011 2073 COMMERCE PARK DR
012
City: 015 INNISFIL
Province, territory, or state: 016 ON
Country (other than Canada): 017
Postal code/Zip code: 018 L9S 4A2

Mailing address (if different from head office address) (item 14)
Has the address changed since the last time we were notified?
020 Yes ☐ No ☒
021 C/o
022 2073 COMMERCE PARK DR
023
City: 025 INNISFIL
Province, territory, or state: 026 ON
Country (other than Canada): 027
Postal code/Zip code: 028 L9S 4A2

Location of books and records (item 15)
031 2073 COMMERCE PARK DR
032
City: 035 INNISFIL
Province, territory, or state: 036 ON
Country (other than Canada): 037
Postal code/Zip code: 038 L9S 4A2

040 Type of corporation at end of taxation year (item 16)
1 ☒ Canadian controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (please specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043

To which taxation year does this return apply? (item 17)
From 060 2003/01/01 to 061 2003/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 ☐ Yes ☒ No

If *yes*, provide date control was acquired 065

Is the corporation a professional corporation that is a member of a partnership? (item 18) 067 ☐ Yes ☒ No

Is this the first year of filing after:
Incorporation? (item 19) 070 ☐ Yes ☒ No
Amalgamation? (item 20) 071 ☐ Yes ☒ No
If *yes*, complete Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)
If *yes*, complete Schedule 24 072 ☐ Yes ☒ No

Is this the final taxation year before amalgamation? (item 22) 076 ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23) 078 ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24) 080 ☒ Yes ☐ No
If *no*, give the country of residence. 081

Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24) 082 ☐ Yes ☒ No
If *yes*, complete Schedule 91

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)
085
1 ☐ Exempt under 149(1)(e) or (l)
2 ☐ Exempt under 149(1)(j)
3 ☐ Exempt under 149(1)(t)
4 ☒ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

Attachments

Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150	☒	9
28	Does the corporation have any non-resident shareholders?	151	☐	19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	☐	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161	☐	49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162	☐	11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	☐	44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	☐	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	☐	15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	☐	T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167	☐	T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168	☐	22
41	Did the corporation have any foreign affiliates during the year?	169	☐	25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170	☐	29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171	☐	T106
47	Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172	☐	-----
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	☒	50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	☐	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202	☐	2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	☐	3
69-76	Is the corporation claiming any type of losses?	204	☐	4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	☐	5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	☐	6
103	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or (ii) is the corporation claiming the refundable portion of Part I tax?	207	☐	7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	☐	8
58	Does the corporation have any property that is eligible capital property?	210	☐	10
59	Does the corporation have any resource-related deductions?	212	☐	12
60	Is the corporation claiming reserves of any kind?	213	☐	13
61	Is the corporation claiming a patronage dividend deduction?	216	☐	16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217	☐	17
150	is the corporation an investment corporation or a mutual fund corporation?	218	☐	18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220	☐	20
118	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221	☐	21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226	☐	26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227	☐	27
121	Is the corporation claiming an investment tax credit?	231	☐	31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232	☐	T661/T665
124	Is the corporation subject to Part 1.3 tax?	233	☐	33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	☐	36
124	Is the corporation claiming a surtax credit?	237	☐	37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	☐	38
128	Is the corporation claiming a Part I tax credit?	242	☐	42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243	☐	43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	☐	45
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249	☐	46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250	☐	39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251	☐	40

Attachments - Continued from page 2

Guide item		Yes	Schedule
128 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	☐	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253	☐	T1131
130 Is the corporation subject to Part XIII.1 tax?		☐	92 *
153 Is the corporation claiming a film or video production services tax credit refund?		☐	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		☐	T1134-A
44 Did the corporation have any controlled foreign affiliates?		☐	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over $100,000?		☐	T1135
44 Did the corporation transfer or loan property to a non-resident trust?		☐	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		☐	T1142
- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		☐	T1145
- Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		☐	T1146
- Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		☐	T1174

Additional information

Is the corporation inactive? (item 48)	280	1 Yes ☐	2 No ☒
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	281	1 Yes ☐	2 No ☒
What is the corporation's major business activity? (item 50) (Only complete if *yes* was entered at line 281.)	282		
If the major activity involves the resale of goods, indicate whether is is wholesale or retail (item 51)	283	1 Wholesale ☐	2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)

284	Electricity	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes ☐	2 No ☒

Taxable income

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

* If the taxation year ends after December 31, 2002, use "3" Instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the *T2 Corporation Income Tax Guide*.

Small business deduction

Canadian-controlled private corporations throughout the taxation year

Income from active business carried on in Canada from Schedule 7 (item 95)	400		A
Taxable income from line 360 on page 3, **minus** 10/3 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 (item 96)	405		B

Calculation of the business limit: (item 97)
for all CCPCs, calculate the amount at line 4 below

$200,000 x	Number of days in the taxation year before 2003 / Number of days in the taxation year	365	=	1
$225,000 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	= 225,000	2
$250,000 x	Number of days in the taxation year in 2004 / Number of days in the taxation year	365	=	3
	Add amounts at line 1, 2, and 3		225,000	4

Business limit (see notes 1 and 2 below)	410	225,000	C

Notes: 1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on like 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410

Business limit reduction: (item 98)

Amount C 225,000 X 415 *** D / 11,250 = E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	225,000	F
Small business deduction - 16% of the least of amounts A, B, C, and F (enter amount G of line 9 on page 7)	430	0	G

Accelerated tax reduction (item 99)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)		x	=	A
Net active business income (amount from line 400)*				B
Taxable income from line 360 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 (item 96)			C	
Deduct:				
Aggregate investment income (amount from line 440 of page 6)			D	
Amount C minus amount D (if negative, enter "0")			▶	E
Amount A, B, or E above, whichever is less				F
Amount Z from Part 9 of Schedule 27		x 100 / 7 =	G	
Amount QQ from Part 13 of Schedule 27			H	
Taxable resource income from line 435 on page 5			I	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			J	
Amount on line 400, 405, 410 or 425, whichever is less			K	
Total of amounts G, H, I, J, and K			▶	L
Amount F minus amount L (if negative, enter "0")				M
Accelerated tax reduction - 7% of amount M (Enter amount N on line 637 of page 7)				N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction (item 100)

Taxable resource income				435	A
Amount A ____ x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	x 1% =		B
Amount A ____ x	Number of days in the taxation year in 2004 / Number of days in the taxation year	____ / 365	x 2% =		C
Resource deduction - amount B plus amount C (enter amount D on line 10 of page 7)				438	D

General tax reduction for Canadian-controlled private corporations (item 101)

Canadian-controlled private corporations throughout taxation year

Taxable income from line 360 page 3				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	
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less			F	
Aggregate investment income from line 440 of page 6			G	
Amount used to calculate the accelerated tax reduction (amount M of page 4)			H	
Total of amounts B, C, D, E, F, G, and H			▶	I
Amount A minus amount I (if negative, enter "0")				J
Amount J ____ x	Number of days in the taxation year in 2001 / Number of days in the taxation year	____ / 365	x 1% =	K
Amount J ____ x	Number of days in the taxation year in 2002 / Number of days in the taxation year	____ / 365	x 3% =	L
Amount J ____ x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	x 5% =	M
Amount J ____ x	Number of days in the taxation year after 2003 / Number of days in the taxation year	____ / 365	x 7% =	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)				O

General tax reduction (item 102)

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 on page 3				A
Amount Z from Part 9 of Schedule 27	____ x 100 / 7 =		B	
Amount QQ from Part 13 of Schedule 27			C	
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	
Total of amounts B, C, D and E			▶	F
Amount A minus amount F (if negative, enter "0")				G
Amount G ____ x	Number of days in the taxation year in 2001 / Number of days in the taxation year	____	x 1% =	H
Amount G ____ x	Number of days in the taxation year in 2002 / Number of days in the taxation year	____	x 3% =	I
Amount G ____ x	Number of days in the taxation year in 2003 / Number of days in the taxation year	____	x 5% =	J
Amount G ____ x	Number of days in the taxation year after 2003 / Number of days in the taxation year	____	x 7% =	K
General tax reduction - total of amounts H, I, J and K (enter amount L on line 639 of page 7)				L

Refundable portion of Part I tax (item 103)

Canadian-controlled private corporations throughout the taxation year

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

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

Deduct:

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

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

Taxable income from line 360 on page 3 _____

Deduct:

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

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

Foreign business income tax credit from line 636 on page 7 _____ x 3 = _____ ▶ _____

_____ X 26 2/3% = _____ D

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

Deduct corporate surtax from line 600 on page 7 _____

Net amount _____ ▶ _____ E

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

Refundable dividend tax on hand (item 104)

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

Deduct dividend refund for the previous taxation year **465** _____ ▶ _____ A

Add the total of:

Refundable portion of Part I tax from line 450 above _____

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

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation **480** _____ ▶ _____ B

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

Dividend refund (item 105)

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 _____ X 1/3 _____ A

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

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

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106) — 550 — 0 — A

Corporate surtax calculation (item 107)

Base amount from line A above			1
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3			2
Investment corporation deduction from line 620 below			3
Federal logging tax credit from line 640 below			4
Federal qualifying environment trust tax credit from line 648 below			5
For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b and c below on line 6:			
28% of taxable income from line 360 on page 3	a		
28% of taxed capital gains	b		6
Part I tax otherwise payable (line A **plus** line C and D **minus** line F)	c		
Total of lines 2 to 6			7
Net amount (line 1 minus line 7)			8

Corporate surtax - 4% of the amount on line 8 — 600 — B

Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108) — 602 — C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income (for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6			i
Taxable income from line 360 on page 3			
Deduct:			
The least of amounts on lines 400, 405, 410, and 425 on page 4			
Net amount		▶	ii

Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amounts i or ii — 604 — D

Subtotal (add lines A, B, C, and D) — E

Deduct:

Small business deduction from line 430 on page 4			9
Federal tax abatement (item 110)	608		
Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111)	616		
Investment corporation deduction (item 112)	620		
(Taxed capital gains 624)			
Additional deduction - credit unions from Schedule 17 (item 113)	628		
Federal foreign non-business income tax credit from Schedule 21 (item 114)	632		
Federal foreign business income tax credit from Schedule 21 (item 115)	636		
Accelerated tax reduction from amount N of page 4 (item 116)	637		
Resource deduction from line 438 of page 5			10
General tax reduction for CCPC's from amount O of page 5 (item 117)	638		
General tax reduction from amount L of page 5 (item 117)	639		
Federal logging tax credit from Schedule 21 (item 118)	640		
Federal political contribution tax credit (item 119)	644		
~~Federal political contributions~~ 646			
Federal qualifying environmental trust tax credit (item 120)	648		
Investment tax credit from Schedule 31 (item 121)	652		
Subtotal		▶	F

Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 122) — 0 — G

Summary of tax and credits

Federal tax

Part I tax payable from page 7 (item 123)	700	
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704	
Part II surtax tax payable from Schedule 46 (item 125)	708	
Part IV tax payable from Schedule 3 (item 126)	712	
Part IV.1 tax payable from Schedule 43 (item 127)	716	
Part VI tax payable from Schedule 38 (item 128)	720	
Part VI.1 tax payable from Schedule 43 (item 129)	724	
Part XIII.1 tax payable from Schedule 92 (item 130)	727	
Part XIV tax payable from Schedule 20 (item 131)	728	
Total federal tax		0

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 132) 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147)	765	
Total tax payable	770	0 A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 148)	780	
Dividend refund from Page 4 (items 149)	784	
Federal capital gains refund from Schedule 18 (item 150)	788	
Federal qualifying environmental trust tax credit refund (item 151)	792	
Canadian film or video production tax credit refund from Form T1131 (item 152)	796	
Film or video production services tax credit refund from Form T1177 (item 153)	797	
Tax withheld at source (item 154)	800	
Total payments on which tax has been withheld (item 154) 801		
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804	
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808	
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812	
Royalties deductible under Syncrude Remission Order 815		
Tax remitted under Syncrude Remission Order (item 158)	816	
Tax instalments paid (item 159)	840	
Total credits	890	B
Balance (line A minus line B)		0 I

Refund Code 894 (item 160) Overpayment (item 163)

Direct Deposit Request (item 164)

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the result is negative, you have an **overpayment.**
If the result is positive, you have a **balance unpaid.**
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.
Balance unpaid (item 163)
Enclosed payment (item 162) 898

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? (item 161) 896 1 Yes ☐ 2 No ☒ NA ☐

Certification (item 165)

950 YOUNG (Surname) 951 GREG (First name) 954 Treasurer (Position, office or rank)

955 2004/06/24 (Date) 956 (705) 431-4321 (Telephone number)

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 Name 959 ( ) - Telephone number

Language of correspondence - Langue de correspondance (item 166)

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

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RELATED AND ASSOCIATED CORPORATIONS

Schedule 9

This form is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name 100	Country (if not Canada) 200	Business # (Canadian corporation only) 300	Code note 1 400	Common shares # owned 500	Common shares % owned 550	Preferred shares # owned 600	Preferred shares % owned 650	Book value of capital stock 700
Innisfil Energy Services Limited		86556 4595 RC 0001	3					
Town of Innisfil		RC	1	1,000	100.000			10,852,444
		RC	0					

Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder **100**	Business Number * **200**	Social Insurance Number * **300**	Percentage common shares **400**	Percentage preferred shares **500**
Town of Innisfil	NR		100.000	
	RC			

* If the shareholder is a trust, enter NR at field 200 or NA at field 300.

OInstalments

Ontario tax instalments

Instalment base

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Year-end	Estimate for current year 2004/12/31	First instalment base 2003/12/31	Second instalment base 2002/12/31
Taxable income		1,570,084	118,806
Base amount of tax			
Small business tax credit			
Surtax on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
Income tax payable		584,225	65,058
Corporate minimum tax payable			
Capital tax payable		53,559	53,928
Premium tax payable			
Total tax payable		637,784	118,986
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years		637,784	118,986
Estimated tax credits for the current year			
Instalment base		637,784	118,986
Monthly payment		53,149	9,916
Quarterly payment		159,446	29,747

Instalment payment options

- ☐ 1. based on estimated taxes for the current year
- ☐ 2. based on the first instalment base
- ☒ 3. based on the first and second instalment base
- ☐ 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2004/01/31	9,916		
2004/02/29	9,916		
2004/03/31	61,795		
2004/04/30	61,795		
2004/05/31	61,795		
2004/06/30	61,795		267,012
2004/07/31	61,795		61,795
2004/08/31	61,795		61,795
2004/09/30	61,795		61,795
2004/10/31	61,795		61,795
2004/11/30	61,795		61,795
2004/12/31	61,795		61,795
Total	637,782		637,782

Ontario

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

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

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 th CT23 Short-Form Return (see page 2).

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No

Corporation's Legal Name *(including punctuation)*
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

Ontario Corporations Tax Account No. (MOF)
1800117

This CT23 Return covers the Taxation Year
Start 2003/01/01
End 2003/12/31

Mailing address
2073 COMMERCE PARK DR
City: INNISFIL | Province: ON | Country: | Postal code: L9S 4A2

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of change:

Date of Incorporation or Amalgamation
2000/10/05

Registered/Head Office Address
2073 COMMERCE PARK DR
City: INNISFIL | Province: ON | Country: | Postal code: L9S 4A2

Ontario Corporation No. (MCBS) 1430892

Location of Books and Records
2073 COMMERCE PARK DR
City: INNISFIL | Province: ON | Country: | Postal code: L9S 4A2

Canada Customs and Revenue Agency Business No.
892422817RC0001

Name of person to contact regarding this CT23 Return: GREG YOUNG
Telephone No.: (705) 431-4321
Fax No.: ( ) -

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario (*Extra-Provincial Corporations only*) (MCBS)
City | Province | Country | Postal code

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced
Ceased
☒ *Not Applicable*

Former Corporation Name (*Extra-Provincial Corporations only*) ☐ ***Not applicable*** (MCBS)

Preferred Language / *Langue de préférence*
☒ English anglais ☐ French français

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▸
No. of Schedule(s): 0

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

Ministry Use

Certification (MCBS)

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

Name of Authorized Person
GREG YOUNG

Title: D ☐ Director O ☒ Officer P ☐ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

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

Criteria for exempt from filing status:

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

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

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

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

NOTE 2: The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

1. If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.
2. If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
3. If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

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

1. Corporation's Mailing Address				2. Ontario Corporation No. (MCBS)	3. Canada Customs and Revenue Agency Business No.
City	Province	Country	Postal code		RC

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

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		Yes	No	
X		(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents (nearest whole percentage) 100 %		X	(d) The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution; OR The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each $3,000,000 or less and the corporation is not a financial institution.
	X	(b) The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (*Refer to guide*)		X	(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).
	X	(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.	X		(f) The corporation's Ontario allocation factor is 100%.

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

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

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

[1]

1 [X] Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office No.)

Ontario Employer Health Tax Account No. (Use Head Office No.)

Specify major business activity

[2]

1 [ ] Family Farm Corporation s.1(2)

2 [ ] Family Fishing Corporation s.1(2)

3 [ ] Mortgage Investment Corp 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 Corp 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 Corp 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 institutions prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [X] Hydro successor, Municipal Electrical Utility or subsidary 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 (✓) 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: _____

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

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From 690 ±	1,570,084
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 T2 SCH 3	3 -	
Subtract: Ontario political contributions *(Attach schedule* 2A) (Int.B. 3002)	4 -	
Subtract: Federal Part VI.1 tax X 9/3	5 -	
Subtract: Prior years' losses applied - Non-capital losses	From 704 -	
From 715 Net capital losses (page 16) X rate 50.000000 % =	714 -	
Farm losses	From 724 -	
Restricted farm losses	From 734 -	
Limited partnership losses	From 754 -	
Taxable income (Non-capital loss)	10 =	1,570,084
Addition to taxable income for unused foreign tax deduction for federal purposes	11 +	
Adjusted taxable income 10 + 11 (if **10** is negative, enter **11**)	20 =	1,570,084

Taxable Income

Number of days in Taxation Year

				Days after Sept 30, 2001 and before Jan 1, 2004		Total days			
From 10 (or 20)	1,570,084	X30	100.0000 % X 12.5 % X	33	365 ÷	73	365 =	29 +	196,261
			Ontario Allocation	Days after Dec 31, 2003		Total days			
From 10 (or 20)	1,570,084	X30	100.0000 % X 14.0 % X	34	÷	73	365 =	32 +	
			Ontario Allocation						
Income Tax Payable (before deduction of tax credits) **29 + 32**								40 =	196,261

Incentive Deduction for Small Business Corporations (IDSBC)(s.41) *(If this section is not completed, the IDSBC will be denied.)*

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (✓) ☒ Yes ☐ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	1,569,692
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	51 + 1,570,084		
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 -		
	= 1,570,084 ▶	54	1,570,084
Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	55 + 225,000		

Ontario Business Limit Calculation

	Days after Sept. 30, 2001 and before Jan. 1, 2003			
280,000 X 28	÷ ** 365	=+ 43		
	Days after Dec. 31, 2002 and before Jan. 1, 2004			
320,000 X 31 365	÷ ** 365	=+ 46	320,000	
	Days after Dec. 31, 2003			
400,000 X 34	÷ ** 365	=+ 47		

*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated

Business limit for Ontario purposes 43 + 46 + 47	= 44 320,000	X 48 100.0000 % =	45	320,000
Income eligible for the IDSBC	From 30 100.0000 % X ****Ontario Allocation	56 320,000 Least of 50, 54 or 45	60 =	320,000

* ***Note***: *Modified by s.41(6) and (7) for corporations that are members of a partnership.* ***(Refer to Guide.)***

** ***Note***: *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note***: *For a taxation year ending before Jan 1, 2003, use your proportion of the associated group business limit.*

**** ***Note***: *Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

Income Tax *continued from Page 4*

Year

Number of Days in Taxation

Calculation of IDSBC Rate	6.5 % X 28	Days after Sept 30, 2001 and before Jan 1, 2003	÷ 73	Total Days 365	= 79 +			
	7.0 % X 31	Days after Dec 31, 2002 and before Jan 1, 2004 365	÷ 73	Total Days 365	= 89 +	7.0000		
	8.5 % X 34	Days after Dec 31, 2003	÷ 73	Total Days 365	= 90 +			
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 +	1,570,084
If you are a member of an associated group (✓) 81 ☒ (Yes)			
Taxable income of associated corporations *(Attach schedule)*		82 +	40,467
Aggregate Taxable Income		85 =	1,610,551

Number of days in Taxation Year

Subtract: 280,000 X	28	Days after Sept 30, 2001 and before Jan 1, 2003 ÷	73	Total Days 365	= 113 +			
320,000 X	31	Days after Dec 31, 2002 and before Jan 1, 2004 365 ÷	73	Total Days 365	= 115 +	320,000		
400,000 X	34	Days after Dec 31, 2003 ÷	73	Total Days 365	= 116 +			
			113 + 115 + 116		=	320,000 ▶	114 -	320,000
(If negative, enter nil)							86 =	1,290,551

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax	4.333% X 28	Days after Sept 30, 2001 and before Jan 1, 2003	÷ 73	Total Days 365	= 95 +			
	4.667% X 31	Days after Dec 31, 2002 and before Jan 1, 2004 365	÷ 73	Total Days 365	= 96 +	4.6670		
	4.667% X 34	Days after Dec 31, 2003	÷ 73	Total Days 365	= 97 +			
Specified rate of surtax for Taxation Year 95 + 96 + 97							94 =	4.6670
From 86	1,290,551	X From 94	4.6670 % =				87 =	60,230
From 87	60,230	X From 60	320,000	÷ From 114	320,000		88 =	60,230
Surtax: Lesser of 70 or 88							100 =	22,400

Income Tax *continued from Page 5*

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	-	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 =	
Taxable income	From 10	+	1,570,084
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** X Allocation % to jurisdictions outside Canada		140 -	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses		141 -	392
10 - 56 + 122 - 140 - 141		142 =	1,569,692

Claim

Number of Days in Taxation Year

143 _____ X From **30** 100.0000 % X 1.5% X **33** 365 ÷ **73** 365 = **154** + _____
Lesser of **130** or **142** — *Ontario Allocation — Days after Sept 30, 2001 and before Jan 1, 2004 — Total Days

143 _____ X From **30** 100.0000 % X 2.0% X **34** _____ ÷ **73** 365 = **156** + _____
Lesser of **130** or **142** — *Ontario Allocation — Days after Dec 31, 2003 — Total Days

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. 3001) *(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 = 196,261

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** +

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible credit from **5798** Summary Schedule F **192** +

Ontario Film and Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible credit from **5899** either Claim Form from Ontario Media Development Corporation (OMDC)
or Ministry of Finance (MFO) 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** +

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduate.
No. of Graduates from **6596**
194
Eligible Credit from **6598** Summary Schedule G **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 Certification Form)* **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* **198** +

Ontario Production Services Tax credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible 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 (MFO) 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** +

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** +

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** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 **220** =

Specified Tax Credits ***Applied to reduce Income Tax*** **225** =

Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative) **230** = 196,261

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on ***Page 17***.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B on ***Page 8***.

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets **249** exceeds $5,000,000 ***or*** Total Revenue **250** exceeds $10,000,000.
* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	**240** +	26,921,951		
*** Total Revenue of the corporation**			**241** +	20,317,784
If you are a member of an associated group (✓) **242** ☒ (Yes)				
Total Assets of associated corporations *(Attach schedule)*	**243** +	1,282,899		
Total Revenue of associated corporations *(Attach schedule)*			**244** +	228,170
Aggregate Total Assets	**249** =	28,204,850		
Aggregate Total Revenue			**250** =	20,545,954

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** 1,255,745 X (If negative, enter zero)	From **30** 100.0000 % X 4% (Ontario Allocation)	**276** =	50,230
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*			**277** -	
Subtract: Income Tax		From **190** -		196,261
Net CMT Payable (if negative, enter Nil on page 17.)			**280** =	

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from ***Page 7*** to ***Income Tax Summary, on Page 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**

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)			From **190** +	196,261
	Gross CMT payable	From **276** +	50,230		
	Subtract: Foreign Tax Credit for CMT purposes	From **277** -			
	If **276** - **277** is negative, enter NIL in **290**	=	50,230 ▶	**290** -	50,230
	Income Tax eligible for CMT Credit			**300** =	146,031
B.	Income Tax (after deduction of specified credits)			From **230** +	196,261
	Subtract: CMT credit used to reduce income taxes			**310** -	
	Income Tax			**320** =	196,261

Transfer to Page 17

If A & B apply, 310 cannot exceed the lesser of 230, 300 and your CMT credit carryover available 2307.
If only B applies, 310 cannot exceed the lesser of 230 and your CMT credit carryover available 2307.

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation.

If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	350	+	10,852,444
Retained earnings (if deficit, deduct) (Int.B. 3012)	351	±	579,820
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352	+	313,298
Loans and advances *(Attach schedule)*(Int.B. 3013)	353	+	11,537,592
Bank loans (Int.B. 3013)	354	+	
Bankers acceptances (Int.B. 3013)	355	+	
Bonds and debentures payable (Int.B. 3013)	356	+	
Mortgages payable (Int.B. 3013)	357	+	
Lien notes payable (Int.B. 3013)	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. 3013)	359	+	487,292
Contingent, investment, inventory and similar reserves (Int.B. 3012)	360	+	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	361	+	758,000
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	362	+	16,547
Subtotal	370	=	24,544,993
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	371	-	43,357
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372	-	
Total Paid-up Capital	380	=	24,501,636
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381	-	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382	-	
Net Paid-up Capital	390	=	24,501,636

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	+	
Mortgages due from other corporations	403	+	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	404	+	
Loans and advances to unrelated corporations	405	+	863,642
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	406	+	996,000
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	407	+	
Total Eligible Investments	410	=	1,859,642

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	420 +	26,902,694
Mortgages or other liabilities deducted from assets	421 +	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	422 +	19,257
Subtract: Investment in partnership(s)/joint venture(s)	423 -	
Total Assets as adjusted	430 =	26,921,951
Amounts in **360** and **361** (if deducted from assets)	440 +	758,000
Subtract: Amounts in **371**, **372** and **381**	441 -	43,357
Subtract: Appraisal surplus if booked	442 -	
Add or Subtract: Other adjustments (specify on an attached schedule)	443 ±	
Total Assets	450 =	27,636,594

Investment Allowance (410 ÷ 450) X 390	Not to exceed 410	460 =	1,648,693
Taxable Capital 390 - 460		470 =	22,852,943

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	20,317,784		
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*			
Aggregate of Gross Revenue	20,317,784	480	20,317,784
Total Assets (as adjusted)		From 430	26,921,951

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** _____

- _____

= **471** _____ x From **30** 100.0000 (Ontario Allocation) x 0.3% x **555** 365 (Days in taxation year; **365/366) = **523** + _____

Transfer to 543 on page 12 and complete the return from that point

**** If floating taxation year, refer to Guide.**

continued on Page 11

Capital Tax Calculation *continued from page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ **509** (✓ 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** (✓ 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 form **470** on page 10 — From **470** + _____

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Taxable Capital of associated corporations *(Attach schedule)* — **531** + _____

Total Aggregate Taxable Capital **470 + 531** — **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** _____ ÷ From **540** _____ X 5,000,000 — **541** = _____

Transfer to Section 542 in D on page 12

Ss.69(2.1) Election Filed

☒ **591** (✓ 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.

+ From **470** _____
- **542** _____
= **471** _____ x From **30** 100.0000 % x 0.3% x **555** 365 = **523** + _____

Ontario Allocation

Days in the taxation year ** (365/366)

Total Capital Tax for the taxation year

Transfer to 543 and complete the return from that point

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From **470** 22,852,943 X From **30** 100.0000 x 0.3% = **561** + 68,559

- Capital tax deduction relating to your corporation's capital tax deduction, on ss.69(2.1) election form From **995** - 15,000

562 = 53,559

Capital Tax **562** 53,559 X **555** 365 = **563** + 53,559

Days in taxation year ** (365/366)

Transfer to 543 and complete the return from that poin

** **If floating taxation year, refer to Guide**

Capital Tax ***before application of specified credits***	**543** =	53,559
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	**546** -	
Capital Tax 543 - 546 *(amount cannot be negative)*	**550** =	53,559

Transfer to page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1	600 ±	1,570,084
		Transfer to Page 15

Add:

Federal capital cost allowance	601 +	1,084,126
Federal cumulative eligible capital deduction	602 +	39,582
Ontario taxable capital gain	603 +	392
Federal non-allowable reserves. Balance beginning of year	604 +	
Federal allowable reserves. Balance end of year	605 +	43,357
Ontario non-allowable reserves. Balance end of year	606 +	
Ontario allowable reserves. Balance beginning of year	607 +	43,357
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608 +	
Federal resource allowance	609 +	
Federal depletion allowance	610 +	
Federal foreign exploration and development expenses	611 +	
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

Number of days in Taxation Year

		Days after Sept. 30, 2001 and before Jan. 1, 2004		Total days			
612	X 5/12.5 X 33	365	÷ 73	365	= 633 +		
		Days after Dec. 31, 2003		Total days			
612	X 5/14.0 X 34		÷ 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 +			
Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614	=	1,210,814	640	1,210,814
				Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under **675**)	650 +	1,084,126
Ontario cumulative eligible capital deduction	651 +	39,582
Federal taxable capital gain	652 +	392
Ontario non-allowable reserves. Balance beginning of year	653 +	
Ontario allowable reserves. Balance end of year	654 +	43,357
Federal non-allowable reserves. Balance end of year	655 +	
Federal allowable reserves. Balance beginning of year	656 +	43,357
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	657 +	
Ontario depletion allowance	658 +	
Ontario resource allowance	659 +	
Ontario current cost adjustment *(Attach schedule)*	661 +	
Incentive for new electricity supply (section 13.6 deduction from income) (***Applies*** only to electrical generating corporations.)	674 +	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	675 +	
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	1,210,814
		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 **600** ± 1,570,084

Sub Total of Additions — From **640** = 1,210,814

Sub Total of deductions on page 14 — From **681** = 1,210,814

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:

From **662** _____ x 100/ **30** 100.0000 (Ontario allocation) - From **662** _____ **663** = _____
Gross-up of CCA

Workplace Child Care Tax Incentive

Qualifying expenditures: **665** _____ x 30% x 100/ **30** 100.0000 (Ontario Allocation) **666** = _____

Workplace Accessibility Tax Incentive

Qualifying expenditures: **667** _____ x 100% x 100/ **30** 100.0000 (Ontario Allocation) **668** = _____

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures **670** _____ x 30% x 100/ **30** 100.0000 (Ontario Allocation) **671** = _____

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures **672** _____ x 15% x 100/ **30** 100.0000 (Ontario Allocation) **673** = _____

Ontario allowable business investment loss **678** + _____

Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161 **679** + _____

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) **677** + _____

Total of other deductions allowed by Ontario *(Attach schedule)* **664** + _____

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 1,210,814 **680** 1,210,814

Net income (loss) for Ontario purposes 600 + 640 - 680 — **690** = 1,570,084

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703	713	723	733	743	753
Subtract: Utilized during the year to reduce taxable income	704 (2)	715 (2)(4)	724 (2)	734 (2)(4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce income (5)	706 (2) To Pg 17	716 (2) To Pg 17	726 (2) To Pg 17	736 (2) To Pg 17	746	
Subtotal	707	717	727	737	747	757
Balance at End of Year	709 (8)	719	729	739	749	759

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829** + **839**.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) 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 by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800				850	870
801				851	871
802				852	872
803	820	830	840	853	873
804	821	831	841	854	874
805	822	832	842	855	875
806 2000/12/31	823	833	843	856	876
807 2001/12/31	824	834	844	857	877
808 2002/12/31	825	835	845	858	878
809 2003/12/31	826	836	846	859	879
Total	829	839	849	869	889

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 carryback adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Minister of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses	Predecessor Corporation's Account No. (MOF)	Taxation Year Ending	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.						
i) 3rd preceding	901	2000/12/31	911	921	931	941
ii) 2nd preceding	902	2001/12/31	912	922	932	942
iii) 1st preceding	903	2002/12/31	913	923	933	943
Total loss to be carried back			From 706	From 716	From 726	From 736
Balance of loss available for carryforward			919	929	939	949

Summary

Income Tax	From 230 or	320	+	196,261
Corporate Minimum Tax	From	280	+	
Capital Tax	From	550	+	53,559
Premium Tax	From	590	+	
Total Tax Payable		950	=	249,820
Subtract: Payments		960	-	252,922
Capital Gains Refund (s.48)		965	-	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*		985	-	
Specified Tax Credits *(Refer to Guide)*		955	-	
Balance		970	=	(3,102)
If payment due	Enclosed *	990		
If overpayment: Refund *(Refer to Guide)*		975	=	
Apply to 2004/12/31		980		3,102 *(Includes credit interest)*

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order. (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
GREG YOUNG

Title
Treasurer

Full Residence Address

City

Province	Country	Postal Code

Signature	Date
	2004/06/28

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Schedule A: Information on Ontario Corporations

(Corporations that are incorporated, continued or amalgamated under the *Ontario Business Corporations Act*)

MCBS

Schedule A

To submit additional director or Officer Information, please photocopy this page and attach the completed schedules with you return.

Identification

Corporation's Legal Name (*including punctuation*)	Ontario Corporation No. (MCBS)	Date of Incorporation or Amalgamation
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1430892	2000/10/05

Director/Officer Information

Full Name and Address for Service:

Last Name	First Name	Middle Name(s)
PLEASE SEE ATTACHED SCHEDULE		

Street Number and Name	Suite

City/Town/Village	Province/State	Country	Postal/Zip Code

Director

Are you a resident Canadian? (*Applies to directors of business corporations only*)

☐ Yes ☐ No

Date Elected

Date Ceased

Officer

Indicate the appointment period for each of the following:

	Date Appointed (year month day)	Date Ceased (year month day)
President		
Secretary		
Treasurer		
General Manager		
Other (*specify*)		

Other Titles (*please specify*)

☐ Chair ☐ Chief Executive Officer
☐ Chair Person ☐ Chief Financial Officer
☐ Chairman ☐ Chief Info. Officer
☐ Chairwoman ☐ Chief Operating Officer
☐ Vice-Chair ☐ Chief Administrative Officer
☐ Vice-President ☐ Comptroller
☐ Assistant Secretary ☐ Authorized Signing Officer
☐ Assistant Treasurer
☐ Chief Manager
☐ Executive Director
☐ Managing Director ☐ Other (untitled)

Director/Officer Information

Full Name and Address for Service:

Last Name	First Name	Middle Name(s)

Street Number and Name	Suite

City/Town/Village	Province/State	Country	Postal/Zip Code

Director

Are you a resident Canadian? (*Applies to directors of business corporations only*)

☐ Yes ☐ No

Date Elected

Date Ceased

Officer

Indicate the appointment period for each of the following:

	Date Appointed (year month day)	Date Ceased (year month day)
President		
Secretary		
Treasurer		
General Manager		
Other (*specify*)		

Other Titles (*please specify*)

☐ Chair ☐ Chief Executive Officer
☐ Chair Person ☐ Chief Financial Officer
☐ Chairman ☐ Chief Info. Officer
☐ Chairwoman ☐ Chief Operating Officer
☐ Vice-Chair ☐ Chief Administrative Officer
☐ Vice-President ☐ Comptroller
☐ Assistant Secretary ☐ Authorized Signing Officer
☐ Assistant Treasurer
☐ Chief Manager
☐ Executive Director
☐ Managing Director ☐ Other (untitled)

Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

MCBS Schedule A:
Information on Ontario Corporations

Innisfil Hydro Distribution Systems Limited
Ontario Corporation No. 1430892 Date of Incorporation: 2000/10/05

All Directors are resident Canadians.

Directors:

Name	Address	Date Elected	Date Ceased	Other Titles
Roy E. Atkinson	585 Atherley Road, Suite211 Orillia, ON L3V 7L5	2000/10/25	2004/05/19	Chairman
Brian Jackson	8319 Yonge Street Innisfil, ON L9S 3C1	2000/10/25 2004/06/21		Chairman
Robert G. Lake	2244 Heritage Line Box 101, R.R. #7 Peterborough, ON K9J 6X8	2000/10/25		
Alan Wells	810 Ganton Road Uxbridge, ON L9P 1R3	2004/06/09		

Officers:

Name	Address	Date Appointed	Date Ceased	Titles
George P. Shaparew	119 Leighland Avenue Oakville, ON L6H 1B3	2002/03/08		President & Secretary
Gregory George Young	3807 White Cap Drive Innisfil, ON L9S 2L5	2002/03/18		Treasurer

Details of Associated Ontario Corporations

Names of associated corporations (Canadian and foreign)	Permanent establishment in Canada?	Ontario Account Number	Taxation Year End
Innisfil Energy Services Limited	Yes	1800333	2003/12/31

Names of associated corporations	Surtax on CCPCs	Corporate Minimum Tax		Capital Tax
	Taxable income	Total Assets	Total Revenue	Taxable Capital
Innisfil Energy Services Limited	40,467	1,282,899	228,170	253,241
Totals	40,467	1,282,899	228,170	253,241

Ontario

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

2003 Capital Tax Election of Associated Group Agreement for Allocation of $5,000,000 Exemption

CT23 Schedule 591

Applies to taxation years ending in the 2003 Calendar Year

The following associated group of corporations includes all the corporations in this associated group (excluding financial institutions and corporations exempt from capital tax) having a permanent establishment in Canada and are hereby making an election under subsection 69(2.1) of the *Corporation Tax Act* to allocate the tax effect (maximum of $15,000) from the group's $5,000,000 exemption from taxable paid-up capital for all taxation years which end in the 2003 calendar year, based on each corporation's total assets and Ontario allocation factor from each corporation's last taxation year ending in the 2002 calendar year.

Corporation having a permanent establishment in Canada	Last Year ending in 2002 calendar	Ontario Allocation A	Total Assets T	Net deduction A X [$15,000 X (T÷X)] ND	Allocation of Net Deduction AND
Associated Corporation #1					
Corporation Tax Account Number (if appicable) 1800117	2002/12/31	100.0000	25,222,867	14,290	995 15,000
Corporation Name INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED					
Authorized signing officer Title Treasurer					
Name GREG YOUNG	Signature				
Associated Corporation #2					
Corporation Tax Account Number (if appicable) 1800333	2002/12/31	100.0000	1,254,089	710	995
Corporation Name Innisfil Energy Services Limited					
Authorized signing officer Title					
Name	Signature				
Associated Corporation #3					
Corporation Tax Account Number (if appicable)					995
Corporation Name					
Authorized signing officer Title					
Name	Signature				

Total Assets of Associated Group having permanent establishments in Canada X 26,476,956

Total Net Deductions of Associated Group having permanent establishments in Canada **TND 959** 15,000

Total Allocated Net Deductions of Associated Group having permanent establishments in Canada **TAND 994** 15,000

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

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2003/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
Innisfil Energy Services Limited	1800333	2003/12/31	40,467
		Total	40,467

*Transfer to **85** on the CT23*

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	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
Innisfil Energy Services Limited	1800333	2003/12/31	253,241
		Aggregate of taxable capital	253,241

Transfer to **540** of the CT23

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2003/12/31

Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation year end for 120 days or more and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)	
Customer Deposits	592,148
Due to Town of Innisfil	10,945,444
Total	11,537,592

*Transfer to **353** on the CT23*

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

Paid-Up Capital: Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2003/12/31

Name of Partnership or Joint Venture	Share of Partnership Using Profit Sharing Ratio (%)	Partnership/Joint Venture Paid-up Capital	Corporation's Share of Partnership/Joint Venture Paid-up Capital
Enerconnect	1.2000	1,378,957	16,547
		Total	16,547

*Transfer to **362** on the CT23*

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

Share of Total Assets - Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2003/12/31

Name of Partnership or Joint Venture	Share of Partnership using Profit Sharing Ratio (%)	Partnership/Joint Venture Total Assets	Corporation's Share of Partnership/Joint Venture Total Assets
Enerconnect	1.2000	1,604,745	19,257
		Total	19,257

*Transfer to **422** on the CT23*

Detach and return this REMITTANCE FORM with your payment.

Ontario

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

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800333

35
PX5003

INNISFIL ENERGY SERVICES LIMITED
C/O LAURIE ANN COOLEDGE
2073 COMMERCE PARK DR

INNISFIL ON
L9S 4A2

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2004 12 31

Payment Amount: $

Total Payment Enclosed: $

Ontario

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

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 **to** 2004/12/31

	Account No.	Assessment Date (year, month, day)	Page
INNISFIL ENERGY SERVICES LIMITED	**1800333**	2005/08/30	1 of 1

ASSESSMENT NO. 66

Tax: Federal and Provincial PIL		25,589.00
Assessment Interest		15.22CR
Total Assessment Liability		25,573.78

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	25,588.83CR	
Sub-Total		25,588.83CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		15.05CR

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

002 PX5003

0000006

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide (T4012)*.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business number (BN) (item 11) **001** 89242 2817 RC 0001

Corporation's name (item 12)
002 INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

PLEASE RETAIN THIS COPY FOR YOUR FILES

Has the corporation changed its name since the last time we were notified? **003** ☐ Yes ☒ No

If *yes*, do you have a copy of the articles of amendment? **004** ☐ Yes ☐ No

Address of head office (item 13)
Has the address changed since the last time we were notified? **010** ☐ Yes ☒ No

011 2073 COMMERCE PARK DR
012
City **015** INNISFIL
Province, territory, or state **016** ON
Country (other than Canada) **017**
Postal code/Zip code **018** L9S 4A2

Mailing address (if different from head office address) (item 14)
Has the address changed since the last time we were notified?
020 Yes ☐ No ☒
021 C/o
022 2073 COMMERCE PARK DR
023
City **025** INNISFIL
Province, territory, or state **026** ON
Country (other than Canada) **027**
Postal code/Zip code **028** L9S 4A2

Location of books and records (item 15)
Has the location of books changed since the last time we were notified? **030** ☐ Yes ☒ No

031 2073 COMMERCE PARK DR
032
City **035** INNISFIL
Province, territory, or state **036** ON
Country (other than Canada) **037**
Postal code/Zip code **038** L9S 4A2

040 Type of corporation at end of taxation year (item 16)
1 ☒ Canadian controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (please specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change **043**

To which taxation year does this return apply? (item 17)
From **060** 2004/01/01 to **061** 2004/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? **063** ☐ Yes ☒ No

If *yes*, provide date control was acquired **065**

Is the corporation a professional corporation that is a member of a partnership? (item 18) **067** ☐ Yes ☒ No

Is this the first year of filing after:
Incorporation? (item 19) **070** ☐ Yes ☒ No
Amalgamation? (item 20) **071** ☐ Yes ☒ No
If *yes*, complete Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)
If *yes*, complete Schedule 24 **072** ☐ Yes ☒ No

Is this the final taxation year before amalgamation? (item 22) **076** ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23) **078** ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24) **080** ☒ Yes ☐ No
If *no*, give the country of residence. **081**

Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24) **082** ☐ Yes ☒ No
If *yes*, complete Schedule 91

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)
085 1 ☐ Exempt under 149(1)(e) or (l)
2 ☐ Exempt under 149(1)(j)
3 ☐ Exempt under 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141. * We do not print these schedules.

Schedules - Answer the following questions. For each *yes* response, attach to the T2 return the schedule that applies.

Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	X	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172		-----
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province or a territory, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	X	3
69-76	Is the corporation claiming any type of losses?	204		4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (b) a partnership, (c) a foreign business, or (d) a personal services business; or (ii) is the corporation claiming the refundable portion of Part I tax?	207	X	7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210	X	10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213	X	13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661/T665
124	Is the corporation subject to Part 1.3 tax?	233		33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236		36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
~~128~~	~~Is the corporation claiming a Part I tax credit?~~	~~242~~		~~42~~
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
153	Is the corporation claiming a film or video production services tax credit refund?	254		T1177
130	Is the corporation subject to Part XIII.1 tax?	255		92 *

Attachments - Continued from page 2

Guide item			Yes	Schedule
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	☐	T1134-A
44	Did the corporation have any controlled foreign affiliates?	258	☐	T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259	☐	T1135
44	Did the corporation transfer or loan property to a non-resident trust?	260	☐	T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	☐	T1142
-	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	☐	T1145
-	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	☐	T1146
-	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	☐	T1174

Additional information

Is the corporation inactive? (item 48) 280 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49) 281 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? (item 50) 282 _____
(Only complete if *yes* was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51) 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)

284	Electricity Distributor	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year? (item 53) 291 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? (item 54) 292 1 Yes ☐ 2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)		300	1,376,328	A
Deduct:	Charitable donations from Schedule 2 (item 78)	311		
	Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	312		
	Cultural gifts from Schedule 2 (item 80)	313		
	Ecological gifts from Schedule 2 (item 81)	314		
	Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320		
	Part VI.1 tax deduction from Schedule 43 (item 83)**	325		
	Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331		
	Net capital losses of preceding taxation years from Schedule 4 (item 85)	332		
	Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333		
	Farm losses of prior taxation years from Schedule 4 (item 87)	334		
	Limited partnership losses of prior years from Schedule 4 (item 88)	335		
	Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340		
	Prospector's and grubstaker's shares (item 90)	350		
	Subtotal		▶	B
	Subtotal (amount A minus amount B) (if negative, enter "0")		1,376,328	C
Add:	Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355		D
Taxable income (amount C plus amount D) (item 92)		360	1,376,328	
Income exempt under paragraph 149(1)(t) (item 93)		370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)				Z

** 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 throughout the taxation year

Income from active business carried on in Canada from Schedule 7 (item 95)	400	1,334,060	A
Taxable income from line 360 on page 3, **minus** 10/3 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 (item 96)	405	1,376,328	B

Calculation of the business limit: (item 97)
for all CCPCs, calculate the amount at line 4 below

$225,000 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	366	=		1
$250,000 x	Number of days in the taxation year in 2004 / Number of days in the taxation year	366 / 366	=	250,000	2
$300,000 x	Number of days in the taxation year after 2004 / Number of days in the taxation year	366	=		3
	Add amounts at line 1, 2, and 3			250,000	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 like 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410

Business limit reduction: (item 98)

Amount C 250,000 X **415** *** 26,799 D / 11,250 = 595,533 E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	0	F
Small business deduction - 16% of the least of amounts A, B, C, and F (enter amount G of line 9 on page 7)	430	0	G

Accelerated tax reduction (item 99)

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) x =			A
Net active business income (amount from line 400)*			B
Taxable income from line 360 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 (item 96)	C		
Deduct:			
Aggregate investment income (amount from line 440 of page 6)	D		
Amount C minus amount D (if negative, enter "0")	▶		E
Amount A, B, or E above, whichever is less			F
Amount Z from Part 9 of Schedule 27 x 100 / 7 =	G		
Amount QQ from Part 13 of Schedule 27	H		
Taxable resource income from line 435 on page 5	I		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	J		
Amount on line 400, 405, 410 or 425, whichever is less	K		
Total of amounts G, H, I, J, and K	▶		L
Amount F minus amount L (if negative, enter "0")			M
Accelerated tax reduction - 7% of amount M (Enter amount N on line 637 of page 7)			N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction (item 100)

Taxable resource income				435	A
Amount A	x	Number of days in the taxation year in 2003 / Number of days in the taxation year (366)	x 1% =		B
Amount A	x	Number of days in the taxation year in 2004 (366) / Number of days in the taxation year (366)	x 2% =		C
Amount A	x	Number of days in the taxation year in 2005 / Number of days in the taxation year (366)	x 3% =		D
Amount A	x	Number of days in the taxation year in 2006 / Number of days in the taxation year (366)	x 5% =		E
Resource deduction - total of amounts B, C, D and E (enter amount F on line 10 of page 7)				438	F

General tax reduction for Canadian-controlled private corporations (item 101)

Canadian-controlled private corporations throughout taxation year

Taxable income from line 360 page 3				1,376,328 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	
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less			F	
Aggregate investment income from line 440 of page 6		42,268	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		42,268	▶	42,268 I
Amount A minus amount I (if negative, enter "0")				1,334,060 J

Amount J 1,334,060	x	Number of days in the taxation year in 2003 / Number of days in the taxation year (366)	x 5% =		K
Amount J 1,334,060	x	Number of days in the taxation year after 2003 (366) / Number of days in the taxation year (366)	x 7% =	93,384	L
General tax reduction for Canadian-controlled private corporations - total of amounts K and L (enter amount M on line 638 of page 7)				93,384	M

General tax reduction (item 102)

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 on page 3				A
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		B	
Amount QQ from Part 13 of Schedule 27			C	
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	
Total of amounts B, C, D and E			▶	F
Amount A minus amount F (if negative, enter "0")				G

Amount G	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	x 5% =		H
Amount G	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	x 7% =		I
General tax reduction - total of amounts H and I (enter amount J on line 639 of page 7)					J

Refundable portion of Part I tax (item 103)

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (Amount P from Part 1 of Schedule 7)	440	42,268 X 26 2/3 % =		11,271	A
Foreign non-business income tax credit from line 632 on page 7					
Deduct:					
Foreign investment income (Amount O from Part 1 of Schedule 7)	445	X 9 1/3 % = (if negative, enter "0")			B
Amount A **minus** amount B (if negative, enter "0")				11,271	C
Taxable income from line 360 on page 3			1,376,328		
Deduct:					
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less					
Foreign non-business income tax credit from line 632 on page 7		x 25/9 =			
Foreign business income tax credit from line 636 on page 7		x 3 =			
			1,376,328 X 26 2/3% =	367,021	D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)			310,221		
Deduct corporate surtax from line 600 on page 7			15,415		
Net amount			294,806	294,806	E
Refundable portion of Part I tax - Amount C, D, or E, whichever is less				450 11,271	F

Refundable dividend tax on hand (item 104)

Refundable dividend tax on hand at the end of the preceding tax year	460	105			
Deduct dividend refund for the previous taxation year	465	105			A
Add the total of:					
Refundable portion of Part I tax from line 450 above			11,271		
Total Part IV tax payable from line 360 on page 2 of Schedule 3					
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480				
			11,271	11,271	B
Refundable dividend tax on hand at the end of the taxation year - Amount A plus amount B				485 11,271	

Dividend refund (item 105)

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3	238,000 X 1/3	79,333	A
Refundable dividend tax on hand at the end of the taxation year from line 485 above		11,271	B
Dividend refund - Amount A or B, whichever is less (enter this amount on line 784 on page 8)		11,271	

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106) — **550** 523,005 A

Corporate surtax calculation (Item 107)

Base amount from line A above		523,005	1
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		137,633	2
Investment corporation deduction from line 620 below			3
Federal logging tax credit from line 640 below			4
Federal qualifying environment trust tax credit from line 648 below			5
For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b and c below on line 6:			
28% of taxable income from line 360 on page 3	a		
28% of taxed capital gains	b		6
Part I tax otherwise payable (line A **plus** line C and D **minus** line F)	291,988 c		
Total of lines 2 to 6		137,633	7
Net amount (line 1 minus line 7)		385,372	8

Corporate surtax - 4% of the amount on line 8 — **600** 15,415 B

Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108) — **602** C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income (for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6		42,268	i
Taxable income from line 360 on page 3	1,376,328		
Deduct: The least of amounts on lines 400, 405, 410, and 425 on page 4			
Net amount	1,376,328 ▶	1,376,328	ii

Refundable tax on CCPC's investment income - 6 2/3 % of the lesser of amounts i or ii — **604** 2,818 D

Subtotal (add lines A, B, C, and D) 541,238 E

Deduct:

Small business deduction from line 430 on page 4			9
Federal tax abatement (item 110)	**608**	137,633	
Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111)	**616**		
Investment corporation deduction (item 112)	**620**		
(Taxed capital gains **624**)			
Additional deduction - credit unions from Schedule 17 (item 113)	**628**		
Federal foreign non-business income tax credit from Schedule 21 (item 114)	**632**		
Federal foreign business income tax credit from Schedule 21 (item 115)	**636**		
Accelerated tax reduction from amount N of page 4 (item 116)	**637**		
Resource deduction from line 438 of page 5			10
General tax reduction for CCPC's from amount M of page 5 (item 117)	**638**	93,384	
General tax reduction from amount J of page 5 (item 117)	**639**		
Federal logging tax credit from Schedule 21 (item 118)	**640**		
Federal political contribution tax credit (item 119)	**644**		
Federal political contributions **646**			
Federal qualifying environmental trust tax credit (item 120)	**648**		
Investment tax credit from Schedule 31 (item 121)	**652**		
Subtotal		231,017 ▶	231,017 F

Part I tax payable - Line E minus line F (enter amount G on line 700 on page 8) (item 122) — 310,221 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7 (item 123)	700	310,221
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704	
Part II surtax tax payable from Schedule 46 (item 125)	708	
Part IV tax payable from Schedule 3 (item 126)	712	
Part IV.1 tax payable from Schedule 43 (item 127)	716	
Part VI tax payable from Schedule 38 (item 128)	720	
Part VI.1 tax payable from Schedule 43 (item 129)	724	
Part XIII.1 tax payable from Schedule 92 (item 130)	727	
Part XIV tax payable from Schedule 20 (item 131)	728	
Total federal tax		310,221

Add provincial and territorial tax

Provincial or territorial jurisdiction (item 132) 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133)	760		
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147)	765		
Total tax payable	770	310,221	A

Deduct other credits

Investment tax credit refund from Schedule 31 (items 148)	780			
Dividend refund from Page 6 (items 149)	784	11,271		
Federal capital gains refund from Schedule 18 (item 150)	788			
Federal qualifying environmental trust tax credit refund (item 151)	792			
Canadian film or video production tax credit refund from Form T1131 (item 152)	796			
Film or video production services tax credit refund from Form T1177 (item 153)	797			
Tax withheld at source (item 154)	800			
Total payments on which tax has been withheld (item 154) 801				
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804			
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808			
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812			
Royalties deductible under Syncrude Remission Order 815				
Tax remitted under Syncrude Remission Order (item 158)	816			
Tax instalments paid (item 159)	840	298,950		
Total credits	890	310,221	310,221	B
Balance (line A minus line B)			0	I

Refund Code 894 1 (item 160) Overpayment (item 163)

Direct Deposit Request (item 164)

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the result is negative, you have an **overpayment.**
If the result is positive, you have a **balance unpaid.**
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid (item 163)

Enclosed payment (item 162) 898

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? (item 161) 896 1 Yes ☐ 2 No ☒ NA ☐

Certification (item 165)

950 COOLEDGE (Surname) 951 LAURIE ANN (First name) 954 Treasurer (Position, office or rank)

955 2005/05/16 (Date) 956 (705) 431-4321 (Telephone number)

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 Name 959 ( ) - Telephone number

Language of correspondence - Langue de correspondance (item 166)

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

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Schedule 1

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements				A	417,453
Add:					
Provision for income taxes - current		101	470,877		
Interest and penalties on taxes		103	2,091		
Amortization of tangible assets		104	1,433,291		
Amortization of intangible assets		106	19,002		
Income/loss for tax purposes - joint ventures/partnerships		109	3,652		
Non-deductible meals and entertainment expenses	4,174 X 50%	121	2,087		
Tax reserves deducted in prior year - Schedule 13		125	43,357		
Reserves from financial statements - balance at the end of the year		126	65,000		
Total of fields 201 to 294		199	415,257		
Total of fields 101 to 199		500	2,454,614	▶	2,454,614
Deduct:					
Gain on disposal of assets per financial statements		401	3,450		
Capital cost allowance - Schedule 8		403	996,526		
Cumulative eligible capital deduction - Schedule 10		405	36,967		
Tax reserves claimed in current year - Schedule 13		413	43,357		
Total of fields 300 to 394		499	415,439		
Total of fields 401 to 499		510	1,495,739	▶	1,495,739
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)					1,376,328

Add:

Other additions:

602	Capital Tax booked in 2004 for Accounting	**292**	55,856
603	Par. 12 (1)(x) contributions capitalized on F/S	**293**	359,401
	Total of fields 201 to 294 (Enter this amount at line 199)		415,257

Deduct:

Other deductions:

700	Ss. 13(7.4) election re Contributions in aid of construction	**390**	359,401
701	Capital Tax for Tax purposes	**391**	56,038
	Total of fields 300 to 394 (Enter this amount at line 499)		415,439

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DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

Schedule 3

- This schedule is for use by any corporation to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraph 113(1)(a),(b) or (d); or
  - taxable dividends paid for purposes of a dividend refund
- A recipient corporation is connected with a payer corporation at any time in the taxation year if the recipient corporation either (i) controls (other than because of a right referred to in paragraph 251(5)(b)) the payer corporation, or (ii) owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.

Part 1 - Dividends received during the year

A	B	C	D	E	F
Name of payer corporation **200**	Connected? **205**	Dividends from foreign source?	Dividends subject to Part IV tax?	Dividends deductible from income under s.112, 113, and 138(6) **240**	Non-taxable dividends deductible under section 83 **230**

Complete if payer corporation is connected and a private or subject corporation				
G	H	I	J	K
Business number **210**	Taxation year end of the payer corporation in which the dividend was paid **220**	Total taxable dividends paid by connected corporation **250**	Dividend refund of the connected corporation **260**	Part IV tax before deductions ** **270**
RC		0	0	0

Total non-taxable dividends deductible under section 83 _____

Total dividends deductible from income under sections 112, 113, and 138(6) _____

** For dividends received from non-connected corporations, Part IV tax = the amount entered in column E x 1/3
For dividends received from connected corporations, do the following calculation: Part IV tax = column E x column J / column I
Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
Public corporations (other than subject corporations) do not need to calculate Part IV tax.

Part 2 - Calculation of Part IV tax payable

Part IV tax before deduction (total of columns K in Part 1) _____

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax **320** _____

Subtotal _____

Deduct:

Current year non-capital losses claimed to reduce Part IV tax **330** _____

Non-capital losses from prior years claimed to reduce Part IV tax **335** _____

Current year farm losses claimed to reduce Part IV tax **340** _____

Farm losses from prior years claimed to reduce Part IV tax **345** _____

Total losses applied against Part IV tax _____ x 1/3 = _____

Part IV tax payable (enter amount on line 712 of the T2 return) **360** 0

Part 3 - Taxable dividends paid in the taxation year for purposes of a dividend refund

A	B	C	D
Name of connected recipient corporation **400**	Business number **410**	Taxation year end of the connected recipient corporation in which the dividend was received **420**	Taxable dividends paid to connected corporations **430**
Town of Innisfil	RC	2004/12/31	238,000
	RC		
Total taxable dividends paid in the taxation year to connected corporations (total of column D)			238,000

Total taxable dividends paid in the taxation year to other than connected corporations **450** _____

Total taxable dividends paid for the purposes of a dividend refund **460** 238,000

DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

Part 4 - Total dividends paid in the taxation year

Complete this part if the **total taxable dividends paid** for purposes of a dividend refund (line 460) above, is **different** from the **total dividends paid** in the taxation year.

Total dividends paid in the taxation year			500	
Deduct:				
Dividends paid out of capital dividend account	510			
Capital gains dividends	520			
Dividends paid on shares described in subsection 129(1.2)	530			
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540			
Deemed dividends paid on a small business development bond	550			
Subtotal				
Taxable dividends paid for the purposes of a dividend refund				0

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CALCULATION OF AGGREGATE INVESTMENT INCOME AND ACTIVE BUSINESS INCOME

Schedule 7

- This schedule is for the use of Canadian-controlled private corporations to calculate:
  - foreign investment income and aggregate investment income for the purpose of determining the refundable portion of Part I tax, as defined in subsection 129(4) of the *Income Tax Act*;
  - income from an active business carried on in Canada for the small business deduction; and
  - specified partnership income for members of one or more partnership(s).
- For more information, see the sections called "Small Business Deduction" and "Refundable Portion of Part 1 Tax" in the *T2 Corporation Income Tax Guide.*

Details of property income (losses)

	Foreign	Aggregate
Taxable dividends deductible from Schedule 3		
Related expenses	-	-
Taxable dividends deductible after deducting related expenses	=	=
Net rental income (loss) before CCA:		
Subtotal		
Capital cost allowance	-	-
Net rental income (loss)	=	=
Exempt income	+	+
Amounts received from NISA Fund No. 2	+	+
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) of the *Income Tax Act*	+	+
Interest and other property income:		
	+	+ 42,268
	+	+
Total income (losses) from property	=	= 42,268

Part 1 - Foreign and aggregate investment income calculation		**FOREIGN** investment income	**AGGREGATE** investment income	
The eligible portion of taxable capital gains included in income for the year		001	002	A
	Eligible portion of allowable capital losses for the year (including allowable business investment loss)	009	012	B
	Net capital losses of other years claimed at line 332 on the T2 return		022	C
Total of amounts B and C				D
Amount A **minus** amount D (if negative, enter "0")		0	0	E
Total income from property (in box 32 include income from a specified investment business carried on in Canada other than income from a source outside Canada)		019	032 42,268	F
	Exempt income	029	042	G
	Amounts received from NISA Fund No. 2 that were included in computing the corporation's income for the year		052	H
	Taxable dividends deductible from Schedule 3, and taxable dividends deductible under p.113 (1)(d) and ss.113(2)	049	062	I
	Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059	072	J
Total of amounts G, H, I, and J				K
Amount F **minus** amount K			42,268	L
Total of amount E **plus** amount L			42,268	M
Total losses from property (in box 82 include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)		069	082	N
Amount M **minus** amount N (if negative, enter "0")		079 O 0	092 P 42,268	

Note: The aggregate investment income is the aggregate world source income.

Enter amount O, foreign investment income, on line 445 of the T2 return.
Enter amount P, aggregate investment income, on line 440 of the T2 return.

AGGREGATE INVESTMENT INCOME AND ACTIVE BUSINESS INCOME

Part 2 - Specified partnership income

A			B	C
Partnership name 200	Start of fiscal period	End of fiscal period	Total income (loss) from active business 300	Corporation's share of amount in column B 310

D	E	F	G	H	I
Adjustments (add reserves deducted under ss.34.2(5) and deduct expenses) 315	Corporation's income (loss) of the partnership (column C plus column D) 320	# of days in the partnership's fiscal period 325	Prorated business limit (column C ÷ column B) x [business limit* x (column F ÷ 365)]** 330	Column E **minus** column G (if negative, enter "0")	Lesser of columns E and G (if negative, enter "0") 340
Total	350		Total	385	360

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) - enter as a positive amount 370 _____

Specified partnership loss of the corporation for the year - enter as a positive amount (total of all negative amounts in column E) 380 _____

Totals of line 370 and 380 _____ ▶ _____ J

Amount at line 385 or line J, whichever is less 390 _____

Specified partnership income (line 360 **plus** line 390) 400 _____

* Use one of the following business limits to calculate column G, whichever applies:
- $225,000 for fiscal periods ending in 2003.
- $250,000 for fiscal periods ending in 2004.
- $300,000 for fiscal periods ending in 2005 or after.

** When a partnership carries on more than one business, one of which generates income and another realizes a loss, the partnership loss is not netted against the partnership's income.

Part 3 - Determination of partnership income

Corporation's share of partnership income from active businesses carried on in Canada after deducting related expenses - from line 350 above (if the net amount is negative, enter "0" on line O)			K
Add: Specified partnership loss (from line 380 above)			L
Subtotal			M
Deduct: Specified partnership income (from line 400 above)			N
Partnership income* (enter on line S below)	450		O

* If the amount on line 450 is positive, complete Schedule 70.

Part 4 - Income from active businesses carried on in Canada

Net income for income tax purposes from line 300 of the T2 return			1,376,328	P
Deduct: Foreign business income after deducting related expenses *	500			
Taxable capital gains **minus** allowable capital loss amount A **minus** amount B* (page 1) **				
Net property income = amount F **minus** amounts G, H and N * (page 1)		42,268	Q	
Personal services business income after deducting related expenses *	520			
		42,268	42,268	
		Net amount	1,334,060	R
Deduct Partnership income (amount 450 above)				S
Income from active business carried on in Canada (enter on line 400 of the T2 return - if negative, enter "0")			1,334,060	T

* If negative, enter amount in brackets, and add instead of subtract.
** This amount may only be negative to the extent of any allowable business investment losses.

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CAPITAL COST ALLOWANCE

Schedule 8

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

1 Class **200**	2 UCC at start of year **201**	3 Cost of additions in the year **203**	4 Net adjustments **205**	5 Proceeds of dispositions in the year **207**	7 Adjustment for additions (1/2 x (col 3 - 5)) **211**	8 Base amount for CCA	9 Rate % **212**	10 CCA for the year (col 8 x 9 or a lower amount) **217**	11 Recapture of CCA **213**	12 Terminal loss **215**	13 UCC at the end of the year **220**
1	18,909,850	743,809	(313,298)		371,905	18,968,456	4	758,738			18,581,623
8	632,839	162,416		3,450	79,483	712,322	20	142,464			649,341
10	128,304	56,317			28,159	156,462	30	46,939			137,682
12	24,194	10,991			5,496	29,689	100	29,689			5,496
45		83,095			41,548	41,547	45	18,696			64,399
Totals	19,695,187	1,056,628	(313,298)	3,450	526,591	19,908,476		996,526			19,438,541

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RELATED AND ASSOCIATED CORPORATIONS

Schedule 9

This form is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name **100**	Country (if not Canada) **200**	Business # (Canadian corporation only) **300**	Code note 1 **400**	Common shares # owned **500**	Common shares % owned **550**	Preferred shares # owned **600**	Preferred shares % owned **650**	Book value of capital stock **700**
Innisfil Energy Services Limited		86556 4595 RC 0001	3					
Town of Innisfil		NR	1	1,000	100.000			10,852,444

Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Schedule 10

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - balance the end of the preceding taxation year (if negative, enter "0")				200	525,871	A
Add: Cost of eligible capital property acquired during the taxation year	222	2,966				
Other adjustments	226					
Subtotal (line 222 plus line 226)		2,966	x 3/4 =	2,225	B	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228		x 1/2 =		C	
amount B minus amount C (if negative, enter "0")				2,225 ▶	2,225	D
Amount transferred on amalgamation or wind-up of subsidiary				224		E
Subtotal (add amounts A, D, and E)				230	528,096	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G			
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H			
Other adjustments	246		I			
(add amounts G, H, and I)			x 3/4 =	248		J
Cumulative eligible capital balance (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)					528,096	K
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business			249			
amount K		528,096				
less amount from line 249						
Current year deduction		528,096	x 7% =	250	36,967	
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)				36,967 ▶	36,967	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")				300	491,129	M

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

Amount from line K (show as positive amount)						N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988			400		1	
Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7)			401		2	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402		3			
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408		4			
Line 3 minus line 4 (if negative, enter "0")			▶		5	
Total of lines 1, 2, and 5					6	
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400			7			
Amounts at line T from Schedule 10 ending after February 27, 2000			8			
Subtotal (line 7 plus line 8)	409		▶		9	
Line 6 minus line 9 (if negative, enter "0")						O
Line N minus line O (if negative, enter "0")						P
Line 5			x 1/2 =			Q
Line P minus line Q (if negative, enter "0")						R
Amount R			x	66.6667		S
Amount N or amount O, whichever is less						T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)				410		

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CONTINUITY OF RESERVES

Schedule 13

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 - Capital gains reserves

Description of property 001	Balance at the beginning of the year 002	Transfer on wind-up or amalgamation 003	Balance at the end of the year 004
Totals	008	009	010

The total capital gains reserve at the beginning of the taxation year plus the total transfer on wind-up or amalgamation should be entered on line 880, and the total capital gains reserve at the end of the taxation year should be entered on line 885 of Schedule 6.

Part 2 - Other reserves not deducted for accounting purposes

Description of property	Balance at the beginning of the year		Transfer on wind-up or amalgamation	Balance at the end of the year	
Reserve for doubtful debt	110		115	120	
Reserve for undelivered goods and services not rendered	130		135	140	
Reserve for prepaid rent	150		155	160	
Reserve for December 31, 1995 income	170		175	180	
Reserve for returnable containers	190		195	200	
Reserve for unpaid amounts	210		215	220	
Other tax reserves	230	43,357	235	240	43,357
Totals	270	43,357	275	280	43,357

The amount from line 270 plus the amount from line 275 should be included on line 125 of Schedule 1 as an addition.
The amount from line 280 should be included on line 413 of Schedule 1 as a deduction.

Part 3 - Accounting reserves not deductible for tax purposes

Description of property	Balance at the beginning of the year	Balance at the end of the year
S. Mayor Hope Settlement Accrual		65,000
Totals	A	B 65,000

Enter amount A on line 414 of Schedule 1 as a deduction.
Enter amount B on line 126 of Schedule 1 as an addition.

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Schedule 23

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.

Allocation of the business limit

Date filed (for departmental use only) **025** _____

Enter the calendar year to which the agreement applies **050** 2004

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** ☐ 1 Yes ☒ 2 No

	1 Names of associated corporations **100**	2 Business Number of associated corporations **200**	3 Association code **300**
1	INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	89242 2817 RC 0001	4
2	Innisfil Energy Services Limited	86556 4595 RC 0001	4
3	Town of Innisfil	NR	4

Allocate business limit using: ☒ % ☐ $

	Taxation year		4 Business limit for the year (before allocation) $	Allocating business limit 5 Percentage of the business limit (%) **350**	6 Business limit allocated $ **400**	7 Gross Part I.3 tax for business limit reduction
	Start	End				
1	2004/01/01	2004/12/31	250,000	100.000	250,000	26,799
2	2004/01/01	2004/12/31	250,000			
3	2003/01/01	2003/12/31	225,000			
TOTALS				100.000	A 250,000	26,799

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. $ 250,000

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PART I.3 TAX ON LARGE CORPORATIONS

Schedule 33

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part I.3 tax for the purposes of unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms "financial institution", "long-term debt" and "reserves".
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the *T2 Corporation Income Tax Return* no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101			
Capital stock (or members' contributions if incorporated without share capital)	103	10,852,444		
Retained earnings	104	759,273		
Contributed surplus	105	313,298		
Any other surpluses	106	498,773		
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	11,052,682		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111			
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112			
Subtotal		23,476,470	▶ 23,476,470	A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121			
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123			
The amount of deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal			▶	B
Capital for the year (amount A minus amount B) (if negative, enter "0")			190 23,476,470	

PART I.3 TAX ON LARGE CORPORATIONS

Part 2 - Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	594,733
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year	490	594,733

Part 3 - Taxable capital

Capital for the year (line 190)		23,476,470	C
Deduct: Investment allowance for the year (line 490)		594,733	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	22,881,737	

Part 4 - Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)		Taxable income earned in Canada / Taxable income				**Taxable capital employed in Canada**
22,881,737	x	1,376,328 / 1,376,328	610	=	690	22,881,737

Notes: 1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a taxation year is "0" it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada			701	
Deduct the following amounts:				
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711			
Total of all amounts each of which is the carrying value at the end of the year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	712			
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713			
Total deductions (add lines 711, 712, and 713)				E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")			790	

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

PART I.3 TAX ON LARGE CORPORATIONS

Part 5 - Calculation of gross Part I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)			22,881,737
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)		801	49,000,000
Excess of taxable capital employed in Canada over capital deduction		811	

Line 811 _____ x Number of days in the taxation year before 2004 / Number of days in the taxation year (366) _____ x 0.00225 = _____ F

Line 811 _____ x Number of days in the taxation year in 2004 (366) / Number of days in the taxation year (366) x 0.002 = _____ G

Line 811 _____ x Number of days in the taxation year in 2005 / Number of days in the taxation year (366) _____ x 0.00175 = _____ H

Line 811 _____ x Number of days in the taxation year in 2006 / Number of days in the taxation year (366) _____ x 0.00125 = _____ I

Line 811 _____ x Number of days in the taxation year in 2007 / Number of days in the taxation year (366) _____ x 0.000625 = _____ J

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.

Subtotal (add amounts F to J) _____ K

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount K _____ X Number of days in the year (_____) / 365 = _____ L

Gross Part I.3 tax (amount K or L, whichever applies) 820 _____

Part 6 – Calculation of gross Part I.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies)	22,881,737	M
Deduct: Line 801 above 49,000,000 x 1/5 =	9,800,000	N
Excess (amount M minus amount N) (if negative, enter "0")	13,081,737	O
Amount O 13,081,737 x 0.00225 =	29,434	P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:

Amount P _____ x Number of days in the year (_____) / 365 = _____ Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) 821 29,434

PART I.3 TAX ON LARGE CORPORATIONS

Part 7 - Calculation of current year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount **a** or **b** at line R, whichever is less:

a) line 600 from the T2 return			a	
b) line 700 from the T2 return			b	R

In any other case, enter amount **c** or **d** at line S, whichever is less:

c) line 600 from your T2 return	15,415 x (line 690 ÷ line 500) =	15,415	c		
d) line 700 from the T2 return		310,221	d	15,415	S
Current year surtax credit available (amount R or S, whichever applies)			830	15,415	

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		15,415
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		29,434
Current-year unused surtax credit (if negative, enter "0")	850	

Enter this amount at line 600 on Schedule 37.

Part 9 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)				T
Deduct:				
Current-year surtax credit applied (line 820 or 830, whichever is less)	861			
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	862			
Subtotal (cannot be more than amount on line 820)				U
Net Part I.3 tax payable (amount T minus amount U)			870	

Enter this amount at line 704 of the T2 return.

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AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

Schedule 36

- Members of a related group of corporations should use this schedule to allocate the capital deduction among the members of the related group. **Do not file this agreement if no members of the related group have to pay Part I.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal *Income Tax Act*, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Agreement

Date filed (for departmental use only)	010	
Is this an amended agreement?	020	☐ 1 Yes ☒ 2 No
Calendar year to which the agreement applies	030	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 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 * 500
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	89242 2817 RC 0001	49,000,000	yyyy/mm/dd
Innisfil Energy Services Limited	86556 4595 RC 0001	1,000,000	yyyy/mm/dd
Town of Innisfil	NR	0	yyyy/mm/dd
	Total	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.

Do not file

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SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder **100**	Business Number * **200**	Social Insurance Number * **300**	Percentage common shares **400**	Percentage preferred shares **500**
Town of Innisfil	NR		100.000	
	RC			

* If the shareholder is a trust, enter NR at field 200 or NA at field 300.

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BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Current year	Prior year
Cash and deposits	**1000**	1,987,238	2,473,714
Other cash like instruments	1007	498,773	487,292
Accounts Receivable	1060	4,091,850	3,893,973
Inventories	1120	190,567	187,174
Other current assets	1480	2,339,991	1,489,075
Prepaid expenses	1484	143,482	135,776
Total tangible capital assets	2008	35,527,256	34,543,822
Accumulated amortization of total tangible capital assets	2009	(18,798,190)	(17,375,953)
Due from / investment in related parties	2240	1,072,525	1,067,821
Total assets	**2599**	27,053,492	26,902,694

Liabilities	Code	Current year	Prior year
Bank overdraft	**2600**		
Amounts payable and accrued liabilities	2620	3,130,330	3,952,291
Interest payable	2629	182,051	
Taxes payable	2680	(89,486)	485,290
Current portion of long term liability	2920	399,000	
Bankers' acceptances	2940	1,000,000	
Deposits received	2961	618,196	
Due to shareholder(s) / director(s)	3260	9,187,444	9,853,799
Other long term liabilities	3320	700,942	865,751
Total liabilities	**3499**	15,128,477	15,157,131

Equity	Code	Current year	Prior year
Common shares	**3500**	10,852,444	10,852,444
Contributed surplus	3541	313,298	313,298
Retained earnings / deficit	**3600**	759,273	579,820
Total equity	**3620**	11,925,015	11,745,562
Total liabilities and equity	**3640**	27,053,492	26,902,693

Retained earnings	Code	Current year	Prior year
Retained earnings/deficit-start	**3660**	579,820	79,075
Net income / loss	**3680**	417,453	700,745
Dividends declared	3700	(238,000)	(200,000)
Total retained earnings	**3849**	759,273	579,820

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INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name
0001

Description of operation, if filing multiple Schedules 125
0002

Revenue	Code	Current year	Prior year
Trade sales of goods and services	**8000**	19,940,540	19,726,747
Total sales of goods and services	**8089**	19,940,540	19,726,747
Other revenue	8230	581,235	591,037
Total revenue	**8299**	20,521,775	20,317,784

Cost of sales	Code	Current year	Prior year
Opening inventory	**8300**		
Purchases / cost of materials	8320	14,504,235	14,206,027
Cost of sales	**8518**	14,504,235	14,206,027
Gross profit / loss (item 8089 - item 8518)	**8519**	5,436,305	5,520,720

Operating expenses	Code	Current year	Prior year
Amortization of intangible assets	8570	19,002	18,992
Amortization of tangible assets	8670	1,433,291	1,395,729
Interest on long term debt	8714	948,226	985,068
Other expenses	9270	950,845	861,618
Selling expenses	9273	778,884	664,946
General and administrative expenses	9284	998,962	929,659
Total operating expenses	**9367**	5,129,210	4,856,012
Total expenses	**9368**	19,633,445	19,062,039
Net non-farming income	**9369**	888,330	1,255,745

Farming revenue	Code	Current year	Prior year
Grains and oilseeds	**9370**		
Total farm revenue	**9659**		

Farming expenses	Code	Current year	Prior year
Crop expenses	**9660**		
Total farm expenses	**9898**		
Net farm income	**9899**		
Net income / loss before taxes and extraordinary items	**9970**	888,330	1,255,745

Summary

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

Extraordinary items	**9975**	-	-	
Legal settlements	**9976**	-	-	
Unrealized gains / losses	**9980**	+	+	
Unusual items	**9985**	-	-	
Current income taxes	**9990**	- 470,877	-	555,000
Deferred income tax provision	**9995**	-	-	
Net income / loss after taxes and extraordinary items	**9999**	= 417,453	=	700,745

' TaxPaid .

Tax instalments paid

Jurisdiction	Description	Date	Amount
Federal	Instalments	2004/12/31	298,950
Ontario	Instalments	2004/12/31	340,351
Federal			
		Total	639,301

* Enter Québec instalments paid on form CO-1027.VE

Summary by jurisdiction

Federal	298,950	Manitoba	
British Columbia		Ontario	340,351
Alberta			
Saskatchewan			

CT23:359: Deferred income tax reserves
Development Charges (liability) per B/S
CT23:361: Other reserves
UCC/NBV Difference

See Tax File W/P
CT23:371: Line 371
Sch 13 Reserve for pre market transition costs.
CT23:405: Loans and advances
Variance Issue
ONPaidUpCapLATable[1,0]
Note 8 F/S
Non-deductible meals and entertainment expenses
Per email from Laurie Ann.
S1:401: Gain on disposal of assets
Account 1.30.4355.900.00, proceeds from sale of scrap material written off in prior periods.
S10:222: Cost of eligible capital property acquired during the taxation year
Per Sch 10 privided by Lauri Ann.
Balance at the end of the year
Settlement Accutal for litigation with IHDSI ex-employee, no settlement amount determined as of Dec 31, 2004.
Aggregate property income
Per email & Discussion with Laurie Ann, this interest earned represent interest on excess cash surplus. No expense allocation, b/c involves little time to maintain account.
Total cost of additions in the year
Agreed to Sch. 8 privided by Laurie Ann.
S8:205: Total adjustments
Development Charges per F/S
S8:207: Proceeds of dispositions in the year
Per Lori Shirley, $3,450 represents proceeds received on Material that was written off for accounting purposes in prior years.
Normal additions
Software additions from Jan 1/04 - March 31/04, per discussion with Lori Shirley
Normal additions
Per discussion with Cindy Dupuis (GT) & Lori Shirley of IHDSL.

CT23:361: Other reserves

UCC/NBV Diff	1,322,065	+
Sch 13 - Employee Litigation	65,000	=
Total	1,387,065	

CT23:405: Loans and advances

Settlement Variances > 365 days, per Laurie Ann's email	1,133,000	+
Recovery for regulatory assets	-538,207	=
Total	594,793	

ONPaidUpCapLATable[0,0]

GT TB - Customer Deposits - Current Portion	441,134	+
GT TB - Customer Deposit - LT Portion	202,165	=
Total	643,299	

NBV of capital assets, end of year

NBV @ 12/31/04	16,729,066	+
Appraisal Increment for Tax	3,266,455	+
Less: Appraisal Increment Goodwill	-250,000	+
Regulatory Assets added to UCC	188,217	=
Total	19,933,738	

Less: Land

Land per GT TB	484,399	+
Appraisal Increment on Land	100,000	+
Land Rights GT TB	513,787	=
Total	1,098,186	

S13:230: Other reserves - beginnning balance

2001 Transition Costs	12,700	+
2002 Transition Costs	30,657	=
Total	43,357	

S33:108: All loans and advances to the corporation

Town of Innisfil - Debenture & Note Payable	9,586,444	+
Bank Loan	1,000,000	+
Customer Credit Balances	-177,062	+
Customer Deposits	643,300	=
Total	11,052,682	

S33:402: A loan or advance to another corporation

Settlement Variances > 365 days, per Laurie Ann email	1,133,000	+
recovery of regulatory assets	-538,267	=
Total	594,733	

Normal additions

Normal Additions	1,057,107	+
Less: Devlopment Charges charged to Fixed Assets	-313,298	=
Total	743,809	

Normal additions

Rolling Stock	32,150	+
Computer add. prior to Mar 31/04	24,167	=
Total	56,317	

Ontario

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

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

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 th CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

PLEASE RETAIN THIS COPY FOR YOUR FILES

Ministry Use

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No

Corporation's Legal Name *(including punctuation)*
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

slb ★

Ontario Corporations Tax Account No. (MOF)
1800117

Mailing address
2073 COMMERCE PARK DR

7284940

City: INNISFIL | Province: ON | Country: | Postal code: L9S 4A2

This CT23 Return covers the Taxation Year
Start: 2004/01/01
End: 2004/12/31

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of change:

Date of Incorporation or Amalgamation
2000/10/05

Registered/Head Office Address
2073 COMMERCE PARK DR

City: INNISFIL | Province: ON | Country: | Postal code: L9S 4A2

Ontario Corporation No. (MCBS): 1430892

Location of Books and Records
2073 COMMERCE PARK DR

City: INNISFIL | Province: ON | Country: | Postal code: L9S 4A2

Canada Customs and Revenue Agency Business No.
892422817RC0001

Name of person to contact regarding this CT23 Return: LAURIE ANN COOLEDGE
Telephone No.: (705) 431-4321
Fax No.: ( ) -

Jurisdiction Incorporated: Ontario

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

City | Province | Country | Postal code

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced:
Ceased:
☒ *Not Applicable*

Former Corporation Name (*Extra-Provincial Corporations only*) ☐ ***Not applicable*** (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶
No. of Schedule(s): 0

Preferred Language / *Langue de préférence*
☒ English / anglais ☐ French / français

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

Ministry Use

Certification (MCBS)

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

Name of Authorized Person
LAURIE ANN COOLEDGE

Title: D ☐ Director O ☐ Officer P ☐ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

I, _____ declare that:

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

Criteria for exempt from filing status:

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

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

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

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

NOTE 2: The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

1. If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.
2. If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
3. If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

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

1. Corporation's Mailing Address	2. Ontario Corporation No. (MCBS)	3.Canada Customs and Revenue Agency Business No.
City Province Country Postal code		RC

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

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		Yes	No	
☒	☐	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents (nearest whole percentage) 100 %	☐	☒	(d) The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution; OR The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each $3,000,000 or less and the corporation is not a financial institution.
☐	☒	(b) The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. *(Refer to guide)*	☐	☒	(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).
☐	☒	(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.	☒	☐	(f) The corporation's Ontario allocation factor is 100%.

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

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

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

1

- 1 [X] Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian residents. (nearest %) 100 %

2

- 1 [ ] Family Farm Corporation s.1(2)
- 2 [ ] Family Fishing Corporation s.1(2)
- 3 [ ] Mortgage Investment Corp 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 Corp 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 Corp 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 institutions prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [X] Hydro successor, Municipal Electrical Utility or subsidary of either
- 20 [ ] Producer and seller of steam for uses other than for the generation of electricity
- 21 [ ] Insurance Exchange s.74.4
- 22 [ ] Farm Feeder Finance Co-operative Corporation
- 23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)

Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity

Please check (✓) 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: _____

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

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From **690** ±	1,376,328
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 T2 SCH 3	**3** -	
Subtract: Ontario political contributions *(Attach schedule* 2A) (Int.B. 3002)	**4** -	
Subtract: Federal Part VI.1 tax X 9/3	**5** -	
Subtract: Prior years' losses applied - Non-capital losses	From **704** -	
From **715** Net capital losses (page 16) X inclusion rate 50.000000 % =	**714** -	
Farm losses	From **724** -	
Restricted farm losses	From **734** -	
Limited partnership losses	From **754** -	
Taxable income (Non-capital loss)	**10** =	1,376,328
Addition to taxable income for unused foreign tax deduction for federal purposes	**11** +	
Adjusted taxable income 10 + 11 (if **10** is negative, enter **11**)	**20** =	1,376,328

Taxable Income — **Number of days in Taxation Year**

From **10** (or **20**)	1,376,328	X **30** 100.0000 % (Ontario Allocation)	X 12.5 %	X **33** (Days after Sept 30, 2001 and before Jan 1, 2004)	÷	**73** 366 (Total days)	=	**29** +	
From **10** (or **20**)	1,376,328	X **30** 100.0000 % (Ontario Allocation)	X 14.0 %	X **34** 366 (Days after Dec 31, 2003)	÷	**73** 366 (Total days)	=	**32** +	192,686
Income Tax Payable (before deduction of tax credits) **29** + **32**								**40** =	192,686

Incentive Deduction for Small Business Corporations (IDSBC)(s.41) *(If this section is not completed, the IDSBC will be denied.)*

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (✓) ☒ Yes ☐ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	**50**	1,334,060
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	**51** + 1,376,328	
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** -	
	= 1,376,328 ▶ **54**	1,376,328
Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	**55** +	250,000

Ontario Business Limit Calculation

280,000 X **28** (Days after Sept. 30, 2001 and before Jan. 1, 2003)	÷ ** 366	=+ **43**		
320,000 X **31** (Days after Dec. 31, 2002 and before Jan. 1, 2004)	÷ ** 366	=+ **46**		
400,000 X **34** 366 (Days after Dec. 31, 2003)	÷ ** 366	=+ **47**	400,000	*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated
Business limit for Ontario purposes **43** + **46** + **47**	= **44**	400,000	X **48** 100.0000 % =	**45** 400,000

Income eligible for the IDSBC From **30** 100.0000 % (****Ontario Allocation) X **56** 400,000 (Least of **50**, **54** or **45**) **60** = 400,000

* ***Note***: *Modified by s.41(6) and (7) for corporations that are members of a partnership.* ***(Refer to Guide.)***

** ***Note***: *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note***: *For a taxation year ending before Jan 1, 2003, use your proportion of the associated group business limit.*

**** ***Note***: *Ontario Allocation for IDSBC purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

Income Tax *continued from Page 4*

Number of Days in Taxation Year

Calculation of IDSBC Rate

6.5 % X **28**	Days after Sept 30, 2001 and before Jan 1, 2003	÷ **73**	Total Days 366	= **79**	+	
7.0 % X **31**	Days after Dec 31, 2002 and before Jan 1, 2004	÷ **73**	Total Days 366	= **89**	+	
8.5 % X **34**	Days after Dec 31, 2003 366	÷ **73**	Total Days 366	= **90**	+	8.5000
IDSBC Rate for Taxation Year 79 + 89 + 90				**78**	=	8.5000
Claim	From **60** 400,000 X From **78** 8.5000 %			**70**	=	34,000

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in **114** below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** ***Short Taxation Years*** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

Associated corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** **Taxable Income of the corporation**	From **10** (or **20** if applicable)	**80** +	1,376,328
If you are a member of an associated group (✓) **81** ☒ (Yes)			
Taxable income of associated corporations *(Attach schedule)*		**82** +	68,848
Aggregate Taxable Income		**85** =	1,445,176

Number of days in Taxation Year

Subtract: 280,000 X	**28**	Days after Sept 30, 2001 and before Jan 1, 2003 ÷	**73**	Total Days 366 =	**113** +		
320,000 X	**31**	Days after Dec 31, 2002 and before Jan 1, 2004 ÷	**73**	Total Days 366 =	**115** +		
400,000 X	**34**	Days after Dec 31, 2003 366 ÷	**73**	Total Days 366 =	**116** +	400,000	
			113 + 115 + 116	=	400,000 ▶	**114** -	400,000
(If negative, enter nil)						**86** =	1,045,176

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax	4.333% X **28**	Days after Sept 30, 2001 and before Jan 1, 2003 ÷	**73**	Total Days 366	= **95** +	
	4.667% X **31**	Days after Dec 31, 2002 and before Jan 1, 2004 ÷	**73**	Total Days 366	= **96** +	
	4.667% X **34**	Days after Dec 31, 2003 366 ÷	**73**	Total Days 366	= **97** +	4.6670
Specified rate of surtax for Taxation Year **95 + 96 + 97**					**94** =	4.6670
From **86** 1,045,176 X From **94** 4.6670 % =					**87** =	48,778
From **87** 48,778 X From **60** 400,000 ÷ From **114** 400,000					**88** =	48,778
Surtax: Lesser of **70** or **88**					**100** =	34,000

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits		120 +	
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From 56 -		400,000
Add: Adjustment for Surtax on Canadian-controlled private corporations From **100** 34,000 ÷ From **30** 100.0000 % ÷ From **78** 8.5000 % = **121** 400,000 *Ontario Allocation			
Lesser of **56** or **121**		122 +	400,000
120 - 56 + 122		130 =	
Taxable income	From 10 +		1,376,328
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From 56 -		400,000
Add: Adjustments for Surtax on Canadian-controlled private corporations	From 122 +		400,000
Subtract: Taxable income **10** X Allocation % to jurisdictions outside Canada		140 -	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses		141 -	42,268
10 - 56 + 122 - 140 - 141		142 =	1,334,060

Claim

Number of Days in Taxation Year

143 Lesser of **130** or **142**	X From	**30** 100.0000 *Ontario Allocation	% X 1.5% X	Days after Sept 30, 2001 and before Jan 1, 2004 **33**	÷	Total Days **73** 366	=	**154** +
143 Lesser of **130** or **142**	X From	**30** 100.0000 *Ontario Allocation	% X 2.0% X	Days after Dec 31, 2003 **34** 366	÷	Total Days **73** 366	=	**156** +

M&P claim for taxation year **154 + 156** **160** =

***Note:** Ontario Allocation for M&P Credit purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations 161 =

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity 162 =

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(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 = 192,686

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** +

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible credit from **5798** Summary Schedule F **192** +

Ontario Film and Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible credit from **5899** either Claim Form from Ontario Media Development Corporation (OMDC) **or** Ministry of Finance (MFO) 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** +

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduate.
No. of Graduates from **6596**
194
Eligible Credit from **6598** Summary Schedule G **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 Certification Form)* **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* **198** +

Ontario Production Services Tax credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible 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 (MFO) 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** +

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** +

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** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 **220** =

Specified Tax Credits ***Applied to reduce Income Tax*** **225** =

Income Tax **190 - 225 OR Enter NIL if reporting Non-Capital Loss** (amount cannot be negative) **230** = 192,686

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on ***Page 17***.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B on ***Page 8***.

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets **249** exceeds $5,000,000 ***or*** Total Revenue **250** exceeds $10,000,000.
* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	**240** +	27,074,914		
*** Total Revenue of the corporation**			**241** +	20,521,775
If you are a member of an associated group (✓) **242** ☒ (Yes)				
Total Assets of associated corporations *(Attach schedule)*	**243** +	1,345,297		
Total Revenue of associated corporations *(Attach schedule)*			**244** +	229,943
Aggregate Total Assets	**249** =	28,420,211		
Aggregate Total Revenue			**250** =	20,751,718

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**	888,330	X From **30**	100.0000 % X 4%	**276** =	35,533
	If negative, enter zero			Ontario Allocation		
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*					**277** -	
Subtract: Income Tax					From **190** -	192,686
Net CMT Payable (if negative, enter Nil on page 17.)					**280** =	

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from ***Page 7*** *to* ***Income Tax Summary, on Page 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**	

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)			From **190** +	192,686
	Gross CMT payable	From **276** +	35,533		
	Subtract: Foreign Tax Credit for CMT purposes	From **277** -			
	If **276 - 277** is negative, enter NIL in **290**	=	35,533 ▶	**290** -	35,533
	Income Tax eligible for CMT Credit			**300** =	157,153
B.	Income Tax (after deduction of specified credits)			From **230** +	192,686
	Subtract: CMT credit used to reduce income taxes			**310** -	
	Income Tax			**320** =	192,686

Transfer to Page 17

If A & B apply, **310** ***cannot exceed the lesser of*** **230, 300** ***and your CMT credit carryover available*** **2307**.
If only B applies, **310** ***cannot exceed the lesser of*** **230** ***and your CMT credit carryover available 2307.***

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation.

If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	350	+	10,852,444
Retained earnings (if deficit, deduct) (Int.B. 3012)	351	±	759,273
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352	+	313,298
Loans and advances *(Attach schedule)*(Int.B. 3013)	353	+	10,229,743
Bank loans (Int.B. 3013)	354	+	
Bankers acceptances (Int.B. 3013)	355	+	1,000,000
Bonds and debentures payable (Int.B. 3013)	356	+	
Mortgages payable (Int.B. 3013)	357	+	
Lien notes payable (Int.B. 3013)	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. 3013)	359	+	498,773
Contingent, investment, inventory and similar reserves (Int.B. 3012)	360	+	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	361	+	1,387,065
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	362	+	19,052
Subtotal	370	=	25,059,648
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	371	-	43,357
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372	-	
Total Paid-up Capital	380	=	25,016,291
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381	-	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382		
Net Paid-up Capital	390	=	25,016,291

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	+	
Mortgages due from other corporations	403	+	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	404	+	
Loans and advances to unrelated corporations	405	+	594,793
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	406	+	996,000
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	407	+	
Total Eligible Investments	410	=	1,590,793

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	420	+	27,053,492
Mortgages or other liabilities deducted from assets	421	+	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	422	+	21,422
Subtract: Investment in partnership(s)/joint venture(s)	423	-	
Total Assets as adjusted	430	=	27,074,914
Amounts in **360** and **361** (if deducted from assets)	440	+	1,387,065
Subtract: Amounts in **371**, **372** and **381**	441	-	43,357
Subtract: Appraisal surplus if booked	442	-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443	±	
Total Assets	450	=	28,418,622

Investment Allowance (410 ÷ 450) X 390 — **Not to exceed 410**	460	=	1,400,340
Taxable Capital 390 - 460	470	=	23,615,951

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	20,521,775		
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*			
Aggregate of Gross Revenue	20,521,775	480	20,521,775
Total Assets (as adjusted)	From	430	27,074,914

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** _____

\- _____

= **471** _____ x From **30** 100.0000 (Ontario Allocation) x 0.3% x **555** _____ 366 (**365/366) = **523** + _____

Transfer to 543 on page 12 and complete the return from that point

**** If floating taxation year, refer to Guide.**

continued on Page 11

Capital Tax Calculation *continued from page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ **509** (✓ 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** (✓ 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 form **470** on page 10	From **470** +	23,615,951

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

Taxable Capital of associated corporations *(Attach schedule)*	**531** +	303,780
Total Aggregate Taxable Capital **470 + 531**	**540** =	23,919,731

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** 23,615,951 ÷ From **540** 23,919,731 X 5,000,000 **541** = 4,936,500

Transfer to Section 542 in D on page 12

Ss.69(2.1) Election Filed

☐ **591** (✓ 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.

+ From	**470**	23,615,951									
-	**542**	4,936,500									
=	**471**	18,679,451	x	From **30**	100.0000 %	x 0.3%	x **555**	Days in the taxation year 366 ** (365/366)	= **523** +	Total Capital Tax for the taxation year 56,038	
					Ontario Allocation					*Transfer to 543 and complete the return from that point*	

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From **470** _____ X From **30** 100.0000 x 0.3% = **561** + _____

- Capital tax deduction relating to your corporation's capital tax deduction, on ss.69(2.1) election form From **995** _____

562 = _____

Capital Tax _____ **562** _____ X **555** Days in taxation year 366 ** (365/366) = **563** + _____

Transfer to 543 and complete the return from that poin

**** If floating taxation year, refer to Guide**

Capital Tax *before application of specified credits*	**543** =	56,038
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	**546** -	
Capital Tax 543 - 546 *(amount cannot be negative)*	**550** =	56,038

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.)*

565 _____ x 0.6% x From **30** _____ % x **555** _____ ÷ **365/366 = **569** + _____

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year

570 _____ x **571** _____ x From **30** _____ % x **555** _____ ÷ **365/366 = **574** + _____

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year

Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574 **575** =

***** 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** -

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)?(✓) ☐ Yes

Capital Tax - Financial Institutions 575 - 585 **586** =

*Transfer to **543** on Page 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

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**	±	1,376,328
			Transfer to Page 15

Add:

Federal capital cost allowance	**601**	+	996,526
Federal cumulative eligible capital deduction	**602**	+	36,967
Ontario taxable capital gain	**603**	+	
Federal non-allowable reserves. Balance beginning of year	**604**	+	
Federal allowable reserves. Balance end of year	**605**	+	43,357
Ontario non-allowable reserves. Balance end of year	**606**	+	65,000
Ontario allowable reserves. Balance beginning of year	**607**	+	43,357
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	**608**	+	
Federal resource allowance	**609**	+	
Federal depletion allowance	**610**	+	
Federal foreign exploration and development expenses	**611**	+	
Management fees, rents, royalties and similar payments to non-arms' length non-residents			

Number of days in Taxation Year

612		X 5/12.5 X	**33**	Days after Sept. 30, 2001 and before Jan. 1, 2004	÷ **73**	Total days 366	= **633** +	
612		X 5/14.0 X	**34**	Days after Dec. 31, 2003 366	÷ **73**	Total days 366	= **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**	+			
Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614		=	1,185,207	**640**	1,185,207
					Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under **675**)	**650**	+	996,526
Ontario cumulative eligible capital deduction	**651**	+	36,967
Federal taxable capital gain	**652**	+	
Ontario non-allowable reserves. Balance beginning of year	**653**	+	
Ontario allowable reserves. Balance end of year	**654**	+	43,357
Federal non-allowable reserves. Balance end of year	**655**	+	65,000
Federal allowable reserves. Balance beginning of year	**656**	+	43,357
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	**657**	+	
Ontario depletion allowance	**658**	+	
Ontario resource allowance	**659**	+	
Ontario current cost adjustment *(Attach schedule)*	**661**	+	
Incentive for new electricity supply (section 13.6 deduction from income) (***Applies*** only to electrical generating corporations.)	**674**	+	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	**675**	+	
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	**681**		1,185,207
			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 **600** ±	1,376,328
Sub Total of Additions	From **640** =	1,185,207

Sub Total of deductions on page 14 From **681** = 1,185,207

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:

From **662** _____ x 100/ **30** 100.0000 - From **662** _____ **663** =
Gross-up of CCA
Ontario allocation

Workplace Child Care Tax Incentive

Qualifying expenditures: **665** _____ x 30% x 100/ **30** 100.0000 **666** =
Ontario Allocation

Workplace Accessibility Tax Incentive

Qualifying expenditures: **667** _____ x 100% x 100/ **30** 100.0000 **668** =
Ontario Allocation

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures **670** _____ x 30% x 100/ **30** 100.0000 **671** =
Ontario Allocation

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures **672** _____ x 15% x 100/ **30** 100.0000 **673** =
Ontario Allocation

Ontario allowable business investment loss	**678** +	
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 = 1,185,207 **680** 1,185,207

Net income (loss) for Ontario purposes 600 + 640 - 680 **690** = 1,376,328

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	**700** (2)	**710** (2)	**720** (2)	**730**	**740**	**750**
Add: Current year's losses (7)	**701**	**711**	**721**	**731**	**741**	**751**
Losses from predecessor corporations (3)	**702**	**712**	**722**	**732**		**752**
Subtotal	**703**	**713**	**723**	**733**	**743**	**753**
Subtract: Utilized during the year to reduce taxable income	**704** (2)	**715** (2)(4)	**724** (2)	**734** (2)(4)	**744** (4)	**754** (4)
Expired during the year	**705**		**725**	**735**	**745**	
Carried back to prior years to reduce income (5)	**706** (2) To Pg 17	**716** (2) To Pg 17	**726** (2) To Pg 17	**736** (2) To Pg 17	**746**	
Subtotal	**707**	**717**	**727**	**737**	**747**	**757**
Balance at End of Year	**709** (8)	**719**	**729**	**739**	**749**	**759**

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829** + **839**.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) 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 by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800				**850**	**870**
801				**851**	**871**
802				**852**	**872**
803	**820**	**830**	**840**	**853**	**873**
804	**821**	**831**	**841**	**854**	**874**
805 2000/12/31	**822**	**832**	**842**	**855**	**875**
806 2001/12/31	**823**	**833**	**843**	**856**	**876**
807 2002/12/31	**824**	**834**	**844**	**857**	**877**
808 2003/12/31	**825**	**835**	**845**	**858**	**878**
809 2004/12/31	**826**	**836**	**846**	**859**	**879**
Total	**829**	**839**	**849**	**869**	**889**

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 carryback adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Minister of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses			Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.	**Predecessor Corporation's Account No. (MOF)**	**Taxation Year Ending**				
i) 3rd preceding	901	2001/12/31	911	921	931	941
ii) 2nd preceding	902	2002/12/31	912	922	932	942
iii) 1st preceding	903	2003/12/31	913	923	933	943
Total loss to be carried back			From 706	From 716	From 726	From 736
Balance of loss available for carryforward			919	929	939	949

Summary

Income Tax	From **230** or	320	+	192,686
Corporate Minimum Tax	From	280	+	
Capital Tax	From	550	+	56,038
Premium Tax	From	590	+	
Total Tax Payable		950	=	248,724
Subtract: **Payments**		960	-	340,351
Capital Gains Refund (s.48)		965	-	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*		985	-	
Specified Tax Credits *(Refer to Guide)*		955	-	
Balance		970	=	(91,627)
If payment due	Enclosed *	990		
If overpayment: Refund *(Refer to Guide)*		975	=	91,627
Apply to		980		

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order. (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
LAURIE ANN COOLEDGE

Title
Treasurer

Full Residence Address

City

Province	Country	Postal Code

Signature

Date
2005/05/16

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

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 ±	417,453
Subtract (to the extent reflected in net income/loss):				
Provision for recovery of income taxes / benefit of current income taxes	2101 +			
Provision for deferred income taxes (credits) / benefit of future income taxes	2102 +			
Equity income from corporations	2103 +			
Share of partnership(s)/joint venture(s) income	2104 +			
Dividends received/receivable deductible under fed.s.112	2105 +			
Dividends received/receivable deductible under fed.s.113	2106 +			
Dividends received/receivable deductible under fed.s.83(2)	2107 +			
Federal Part VI.1 tax on dividends declared and paid, under fed.s.191.1(1) x 9/3 =	2108 +			
Subtotal	=		2109 -	
Add (to extent reflected in net income/loss):				
Provision for current taxes / cost of current income taxes	2110 +	470,877		
Provision for deferred income taxes (debits) / cost of future income taxes	2111 +			
Equity losses from corporations	2112 +			
Share of partnership(s)/joint venture(s) losses	2113 +			
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	2114 +			
Subtotal	=	470,877	2115 +	470,877
Add/Subtract:				
Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years				
** Fed.s.85	2116 +	or 2117 -		
** Fed.s.85.1	2118 +	or 2119 -		
** Fed.s.97	2120 +	or 2121 -		
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	2122 +	or 2123 -		
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	2124 +	or 2125 -		
** Amounts relating to s.57.10 election/ regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	2126 +	or 2127 -		
Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income	2150 -			
Subtotal (Additions) =			2128 +	
Subtotal (Subtractions)	=		2129 -	
** Other adjustments			2130 ±	
Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130			2131 =	888,330
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss			2132 ±	
Adjusted net income (loss) (if loss, transfer to **2202** in **Schedule B**)			2133 =	888,330
Deduct: CMT losses: pre-1994 Loss *	From 2210 +			
CMT losses: other eligible losses *	2211 +			
	=		2134 -	

* CMT losses applied cannot exceed adjusted net income or increase a loss
** Retain calculations. Do not submit with this tax return.

CMT Base	2135 =	888,330

Transfer to CMT Base on page 8

Corporate Minimum Tax (CMT)

Schedule B: Continuity of CMT Losses Carried Forward

CMT loss continuity by year

Year of origin	Beginning balance	Transfers on amalgamation	Transfers on wind-up	Adjustments	Current year loss	Applied	Ending balance
							Expired
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
Totals							

Balance at Beginning of year (1), (2) **2201** +

Add: Current year's losses **2202** +
Losses from predecessor corporations on amalgamation (3) **2203** +
Losses from predecessor corporations on wind-up (3) **2204** +
Amalgamation (✓) **2205** ☐ Yes Wind-up (✓) **2206** ☐ Yes

Subtotal = ▶ **2207** +

Adjustments (attach schedule) **2208** ±

CMT losses available 2201 + 2207 ± 2208 **2209** =

Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income **2210** +
Other eligible losses utilized during the year to reduce adjusted net income (4) **2211** +
Losses expired during the year **2212** +

Subtotal = ▶ **2213** -

Balances at End of Year (5) **2209 - 2213** **2214** =

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisitions 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** and **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)	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	**2260**	**2280**
2241	**2261**	**2281**
2242	**2262**	**2282**
2243	**2263**	**2283**
2244	**2264**	**2284**
2245 2000/12/31	**2265**	**2285**
2246 2001/12/31	**2266**	**2286**
2247 2002/12/31	**2267**	**2287**
2248 2003/12/31	**2268**	**2288**
2249 2004/12/31	**2269**	**2289**
Totals	**2270**	**2290**

The sum of amounts 2270 + 2290 must equal amount in 2214.

Corporate Minimum Tax (CMT)

Schedule D: Continuity of CMT Credit Carryovers

CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
Totals							

Balance at Beginning of year (1) 2301 +

Add: Current year's CMT Credit (**280** on page 8. If negative, enter NIL) From **280** +

CMT Credit Carryovers from predecessor corporations (2) **2302** +

Amalgamation (✓) **2303** ☐ Yes Wind-up (✓) **2304** ☐ Yes

Subtotal = ▶ **2305** +

Adjustments *(Attach schedule)* **2306** ±

CMT credit carryover available 2301 + 2305 ± 2306 **2307** =

Transfer to Page 8

Subtract: CMT credit utilized during the year to reduce income tax (Page 8) From **310** +

CMT credit expired during the year **2308** +

Subtotal = ▶ **2309** -

Balance at End of Year (3) **2307 - 2309** **2310** =

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in **2310** must equal the sum of **2370** + **2390**.

Schedule E: Analysis of CMT Credit Carryovers Year-End Balance by Year of Origin

Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporations
2340	**2360**	**2380**
2341	**2361**	**2281**
2342	**2362**	**2382**
2343	**2363**	**2383**
2344	**2364**	**2384**
2345	**2365**	**2385**
2346 2001/12/31	**2366**	**2386**
2347 2002/12/31	**2367**	**2387**
2348 2003/12/31	**2368**	**2388**
2349 2004/12/31	**2369**	**2389**
Totals	**2370**	**2390**

The sum of amounts 2370 and 2390 must equal the amount in 2310.

Schedule A: Information on Ontario Corporations

(Corporations that are incorporated, continued or amalgamated under the *Ontario Business Corporations Act)*

MCBS

Schedule A

To submit additional director or Officer Information, please photocopy this page and attach the completed schedules with you return.

Identification

Corporation's Legal Name (*including punctuation*)	Ontario Corporation No. (MCBS)	Date of Incorporation or Amalgamation
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1430892	2000/10/05

Director/Officer Information

Full Name and Address for Service:

Last Name	First Name	Middle Name(s)
PLEASE SEE ATTACHED SCHEDULE		

Street Number and Name	Suite

City/Town/Village	Province/State	Country	Postal/Zip Code

Director

Are you a resident Canadian? *(Applies to directors of business corporations only)*

☐ Yes ☐ No

Date Elected

Date Ceased

Officer

Indicate the appointment period for each of the following:

	Date Appointed (year month day)	Date Ceased (year month day)
President		
Secretary		
Treasurer		
General Manager		
Other *(specify)*		

Other Titles *(please specify)*

☐ Chair ☐ Chief Executive Officer
☐ Chair Person ☐ Chief Financial Officer
☐ Chairman ☐ Chief Info. Officer
☐ Chairwoman ☐ Chief Operating Officer
☐ Vice-Chair ☐ Chief Administrative Officer
☐ Vice-President
☐ Assistant Secretary ☐ Comptroller
☐ Assistant Treasurer ☐ Authorized Signing Officer
☐ Chief Manager
☐ Executive Director
☐ Managing Director ☐ Other (untitled)

Director/Officer Information

Full Name and Address for Service:

Last Name	First Name	Middle Name(s)

Street Number and Name	Suite

City/Town/Village	Province/State	Country	Postal/Zip Code

Director

Are you a resident Canadian? *(Applies to directors of business corporations only)*

☐ Yes ☐ No

Date Elected

Date Ceased

Officer

Indicate the appointment period for each of the following:

	Date Appointed (year month day)	Date Ceased (year month day)
President		
Secretary		
Treasurer		
General Manager		
Other *(specify)*		

Other Titles *(please specify)*

☐ Chair ☐ Chief Executive Officer
☐ Chair Person ☐ Chief Financial Officer
☐ Chairman ☐ Chief Info. Officer
☐ Chairwoman ☐ Chief Operating Officer
☐ Vice-Chair ☐ Chief Administrative Officer
☐ Vice-President
☐ Assistant Secretary ☐ Comptroller
☐ Assistant Treasurer ☐ Authorized Signing Officer
☐ Chief Manager
☐ Executive Director
☐ Managing Director ☐ Other (untitled)

Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

OS7
Schedule 7

Ontario aggregate investment income

Aggregate and foreign investment income tax calculation

	Foreign investment income	Aggregate investment income	
The eligible portion of taxable capital gains included in income for the year			A
Eligible portion of allowable capital losses for the year (including allowable business investment loss)			B
Net capital losses claimed at line 125 on page 3 of the T2 return			C
Total of amounts B and C			D
Amount A minus amount D (if negative, enter nil)	<NIL>	<NIL>	E
Taxable dividends deductible from T2S(3)			
Other property income (include income from a specified investment business carried on in Canada other than income from a source outside Canada)		42,268	
Total income from property		42,268	F
Exempt income			G
Amounts received from NISA Fund No. 2 that was included in computing the corporation's income for the year			H
Taxable dividends deductible from T2S(3)			
Minus: related expenses			
Taxable dividends deductible from T2S(3) after deducting related expenses *			I
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) of the *Income Tax Act*			J
Total of amounts G, H, I, and J			K
Amount F minus amount K		42,268	L
Total of amount E plus amount L		42,268	M
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)			N
Amount M minus amount N (if negative, enter nil)	R <NIL>	S 42,268	

* If negative, enter amount in brackets, and add instead of subtract.

Part 2 - Specified partnership income

A			B	C
Partnership name	Start of fiscal period	End of fiscal period	Total income (loss) from active business	Corporation's share of amount in column B

D	E	F	G	H	I
Adjustments (add reserves deducted under ss.34.2(5) and deduct expenses)	Corporation's income (loss) of the partnership (column C plus column D)	# of days in the partnership's fiscal period	Prorated business limit (column C ÷ column B) x [business limit* x (column F ÷ 365)]**	Column E **minus** column G (if negative, enter "0")	Lesser of columns E and G (if negative, enter "0")
Total			Total		

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) - enter as a positive amount	1		
Specified partnership loss of the corporation for the year - enter as a positive amount (total of all negative amounts in column E)	2		
Totals of line 1 and 2	▶	J	
Total of column H or line J, whichever is less			
Specified partnership income			K

* Use $200,000 for days in fiscal periods prior to October 1, 2001.
Use $280,000 for days in fiscal periods after September 30, 2001 but before January 1, 2003.
Use $320,000 for days in fiscal periods after December 31, 2002 but before January 1, 2004.
Use $400,000 for days in fiscal periods after December 31, 2003.

** When a partnership carries on more than one business, one of which generates income and another realizes a loss, the partnership loss is not netted against the partnership's income.

QS7
Schedule 7

Ontario aggregate investment income

Part 3 - Determination of partnership income for Ontario puposes

Corporation's share of partnership income from active businesses carried on in Canada for Ontario puposes after deducting related expenses - from column E above (if the net amount is negative, enter "0" on line P)			L
Add: Specified partnership loss (from line 2 above)			M
	Subtotal		N
Deduct: Specified partnership income (from line K above)			O
Partnership income (enter on line T below)			P

Part 4 - Income from active businesses carried on in Canada

Net income for income tax purposes		1,376,328	Q
Deduct: Foreign business income after deducting related expenses *			
Taxable capital gains **minus** allowable capital loss ** (amount A **minus** amount B in part 1)			
Net property income = amount F **minus** amounts G, H and N * (part 1)	42,268 R		
Personal services business income after deducting related expenses *			
	42,268	42,268	
	Net amount	1,334,060	S
Deduct Partnership income (line P above)			T
Income from active business carried on in Canada for Ontario puposes (enter on line 50 of the CT23 return - if negative, enter "0")		1,334,060	U

* If negative, enter amount in brackets, and add instead of subtract.
** This amount may only be negative to the extent of any allowable business investment losses.

Ontario

Ministry of Finance

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

Ontario Capital Cost Allowance
Schedule 8

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2004/12/31

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

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	18,909,850	743,809	(313,298)		19,340,361	371,905	18,968,456	4			758,738	18,581,623
8	632,839	162,416		3,450	791,805	79,483	712,322	20			142,464	649,341
10	128,304	56,317			184,621	28,159	156,462	30			46,939	137,682
12	24,194	10,991			35,185	5,496	29,689	100			29,689	5,496
45		83,095			83,095	41,548	41,547	45			18,696	64,399
Totals	19,695,187	1,056,628	(313,298)	3,450		526,591	19,908,476				996,526	19,438,541

Enter in box **650** on the CT23

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Ontario

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Corporations Tax Branch
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33 King Street West
Oshawa ON L1H 8E9

Ontario Cumulative Eligible Capital Deduction
Schedule 10

Corporation's Legal Name	Ontario Corporations Tax Account No.	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	(MOF) 1800117	2004/12/31

- **For use by a corporation that has eligible capital property.**
- **A separate cumulative eligible capital account must be kept for each business.**

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at beginning of taxation year *(if negative, enter zero)*					525,871	A
Add: Cost of eligible capital property acquired during the taxation year	+	2,966	B			
Amount transferred on amalgamation or wind-up of subsidiary	+		C			
Other adjustments	+		D			
Total of B + C + D	=	2,966		x 3/4=	2,225	E
Subtotal A + E				=	528,096	F
Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	+		G			
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada)	+		H			
Other adjustments	+		I			
Total of G + H + I	=			x 3/4=		J
Ontario cumulative eligible capital balance F - J				=	528,096	K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction	528,096 K x 7%*	=	36,967	L

The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.* *Enter amount in box **651 of the CT23*

Ontario cumulative eligible capital - closing balance K - L *(if negative, enter zero)*	=	491,129	M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition
Complete this part only if the amount at line K is negative

Amount from line K above *show as a positive amount*				N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988		1		
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)		2		
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	3			
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	4			
Line **3** deduct line **4**		5		
Total lines **1 + 2 + 5**		6		
Line **T** from previous Ontario Schedule 10 for taxation years ending after February 27, 2000		7		
Deduct line **7** from line **6**				O
N - O *(cannot be negative)*				P
Amount on line **5**	x 1/2			Q
P - Q				R
Amount on line **R**	x 66.6667			S
Lesser of line **N** or line **O**				T
Amount to be included in income S + T				

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

Ontario

Ministry of Finance

Corporations Tax Branch
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Oshawa ON L1H 8E9

Ontario Continuity of Reserves
Schedule 13

Corporation's Legal Name	Ontario Corporations Tax Account No.	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	(MOF) 1800117	2004/12/31

For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes

Part 1 - Capital gains reserves

Description of property	Ontario balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Ontario balance at the end of the year
Totals	A	B	C

The total capital gains reserve at the beginning of the taxation year **A** plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary **B**, should be entered on Schedule 6; and the total capital gains reserve at the end of the taxation year **C**, should also be entered on Schedule 6.

Part 2 - Other reserves

Description	Ontario balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Ontario balance at the end of the year
Reserve for doubtful debts			
Reserve for undelivered goods and services not rendered			
Reserve for prepaid rent			
Reserve for December 31, 1995 income			
Reserve for refundable containers			
Reserve for unpaid amounts			
Other tax reserves	43,357		43,357
Totals	D 43,357	E	F 43,357

The amount from **D** plus the amount from **E** should be entered in **607** of the CT23.

The amount from **F** should be entered in **654** of the CT23.

Part 3 - Continuity of non-deductible reserves

Reserve	Ontario opening balance and transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
S. Mayor Hope Settlement Accrual					65,000
Totals					65,000

*Enter in box **653** of the CT23*

*Enter in box **606** of the CT23*

Ontario Ministry of Finance
Corporations Tax Branch
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33 King Street West
Oshawa ON L1H 8E9

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2004/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
Innisfil Energy Services Limited	1800333	2004/12/31	68,848
Town of Innisfil		2003/12/31	
		Total	68,848

*Transfer to **85** on the CT23*

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Oshawa, ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2004/12/31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Innisfil Energy Services Limited	1800333	2004/12/31	303,780
Town of Innisfil		2003/12/31	
		Aggregate of taxable capital	303,780

Transfer to **540** of the CT23

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2004/12/31

Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation year end for 120 days or more and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)	
Customer Deposits	643,299
Due to Town of Innisfil	9,586,444
Total	10,229,743

*Transfer to **353** on the CT23*

Ontario Ministry of Finance
Corporations Tax Branch
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33 King Street West
Oshawa ON L1H 8E9

Paid-Up Capital: Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2004/12/31

Name of Partnership or Joint Venture	Share of Partnership Using Profit Sharing Ratio (%)	Partnership/Joint Venture Paid-up Capital	Corporation's Share of Partnership/Joint Venture Paid-up Capital
Enerconnect	1.2146	1,568,575	19,052
		Total	19,052

*Transfer to **362** on the CT23*

Ontario

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Corporations Tax Branch
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33 King Street West
Oshawa ON L1H 8E9

Share of Total Assets - Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2004/12/31

Name of Partnership or Joint Venture	Share of Partnership using Profit Sharing Ratio (%)	Partnership/Joint Venture Total Assets	Corporation's Share of Partnership/Joint Venture Total Assets
Enerconnect	1.2146	1,763,701	21,422
		Total	21,422

*Transfer to **422** on the CT23*

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Oshawa ON L1H 8E9

Corporate Minimum Tax - Associated Corporation

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2004/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Innisfil Energy Services Limited	1800333	2004/12/31	1,345,297	229,943
Town of Innisfil		2003/12/31		
		Totals	1,345,297	229,943
			*Transfer to **249** of the CT23*	*Transfer to **250** of the CT23*

Detach and return this REMITTANCE FORM with your payment.

Ontario

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Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800117

35
PX5003

INNISFIL HYDRO DISTRIBUTION SYSTEMS
C/O LAURIE ANN COOLEDGE
2073 COMMERCE PARK DR

INNISFIL ON
L9S 4A2

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2005 12 31

Payment Amount: $

Total Payment Enclosed: $

Ontario

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

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2005/01/01 **to** 2005/12/31

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	Account No.	Assessment Date (year, month, day)	Page
	1800117	2006/06/13	1 of 1

ASSESSMENT NO. 81

Tax: Federal and Provincial PIL	193,401.00
Assessment Interest	8,698.46CR
Total Assessment Liability	184,702.54

SUMMARY OF 2005/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	558,950.00CR	
Sub-Total		558,950.00CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		374,247.46CR

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

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Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

0000004

Federal tax instalments

Instalment base

PLEASE RETAIN THIS COPY FOR YOUR FILES

Year-end	Estimate for current year 2006/12/31	First instalment base 2005/12/31	Second instalment base 2004/12/31
Taxable income	1,850,000	513,467	1,376,328
Base amount of Part I tax	703,000	195,117	523,005
Corporate surtax	20,350	5,751	15,415
Refundable tax on CCPC's investment income	3,000	2,971	2,818
Small business deduction			
Federal tax abatement	185,000	51,347	137,633
Manufacturing and processing profits deduction			
Foreign tax credits			
Tax reductions	116,550	32,823	93,384
Political contribution tax credit			
Investment tax credit			
Other credits			
Part I tax payable	424,800	119,669	310,221
Part I.3 tax payable			
Part VI tax payable			
Part VI.1 tax payable			
Net provincial or territorial tax payable			
Total tax payable	424,800	119,669	310,221
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years	424,800	119,669	310,221
Estimated credits for the current year:			
Investment tax credit refund			
Dividend refund			
Other			
Total estimated credits			
Instalment base	424,800	119,669	310,221
Monthly payment	35,400	9,972	25,852

Instalment payment options

- [X] 1. based on estimated taxes for the current year
- [ ] 2. based on the first instalment base
- [ ] 3. based on the first and second instalment base
- [ ] 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2006/01/31	35,400		
2006/02/28	35,400		
2006/03/31	35,400		
2006/04/30	35,400		
2006/05/31	35,400		177,000
2006/06/30	35,400		35,400
2006/07/31	35,400		35,400
2006/08/31	35,400		35,400
2006/09/30	35,400		35,400
2006/10/31	35,400		35,400
2006/11/30	35,400		35,400
2006/12/31	35,400		35,400
Total	424,800		424,800

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

Schedule 200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, 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, refer to the Guide under the heading "Before you start."

055 Do not use this area

Identification

Business number (BN) **001** 89242 2817 RC 0001

Corporation's name

002 INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

Has the corporation changed its name since the last time we were notified? **003** ☐ Yes ☒ No

If *Yes*, do you have a copy of the articles of amendment? **004** ☐ Yes ☐ No

Address of head office

Has the address changed since the last time we were notified? **010** ☐ Yes ☒ No

011 2073 COMMERCE PARK DR

012

City: **015** INNISFIL

Province, territory, or state: **016** ON

Country (other than Canada): **017**

Postal code/Zip code: **018** L9S 4A2

Mailing address (if different from head office address)

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

020 Yes ☐ No ☒

021 C/o

022 2073 COMMERCE PARK DR

023

City: **025** INNISFIL

Province, territory, or state: **026** ON

Country (other than Canada): **027**

Postal code/Zip code: **028** L9S 4A2

Location of books and records

Has the location of books and records changed since the last time we were notified? **030** ☐ Yes ☒ No

031 2073 COMMERCE PARK DR

032

City: **035** INNISFIL

Province, territory, or state: **036** ON

Country (other than Canada): **037**

Postal code/Zip code: **038** L9S 4A2

040 Type of corporation at end of taxation year

1 ☒ Canadian controlled private corporation (CCPC)

2 ☐ Other private corporation

3 ☐ Public corporation

4 ☐ Corporation controlled by a public corporation

5 ☐ Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change **043**

To which taxation year does this return apply?

From **060** 2005/01/01 to **061** 2005/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? **063** ☐ Yes ☒ No

If *Yes*, give the date control was acquired **065**

Is the corporation a professional corporation that is a member of a partnership? **067** ☐ Yes ☒ No

Is this the first year of filing after:

Incorporation? **070** ☐ Yes ☒ No

Amalgamation? **071** ☐ Yes ☒ No

If *Yes*, complete lines 030 to 038 and attach Schedule 24.

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

If *Yes*, complete and attach Schedule 24 **072** ☐ Yes ☒ No

Is this the final taxation year before amalgamation? **076** ☐ Yes ☒ No

Is this the final return up to dissolution? **078** ☐ Yes ☒ No

Is the corporation a resident of Canada? **080** ☒ Yes ☐ 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** ☐ Yes ☒ 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. * We do not print these schedules.

Schedules - Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Does the corporation have any non-resident shareholders?	151		19
Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which an identification number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		-----
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Is the net income/loss shown on financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202	X	2
Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207	X	7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	213	X	13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the corporation subject to Part 1.3 tax? N/A	233		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		36
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		92 *

Attachments - Continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	☐	T1134-A
Did the corporation have any controlled foreign affiliates?	258	☐	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259	☐	T1135
Did the corporation transfer or loan property to a non-resident trust?	260	☐	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	☐	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	☐	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	☐	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	☐	T1174

Additional information

Is the corporation inactive?	280	1 Yes ☐	2 No ☒
Has the major business activity changed since the last return was filed? (enter *Yes* for first time-filers)	281	1 Yes ☐	2 No ☒

What is the corporation's major business activity? 282
(Only complete if *Yes* was entered at line 281)

If the major 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 service provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity Distributor	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes ☐	2 No ☒
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes ☐	2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	514,397	A
Deduct: Charitable donations from Schedule 2	311	930			
Gifts to Canada or a province, or a territory from Schedule 2	312				
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320				
Part VI.1 tax deduction from Schedule 43 *	325				
Non-capital losses of preceding taxation years from Schedule 4	331				
Net capital losses of preceding taxation years from Schedule 4	332				
Restricted farm losses of preceding taxation years from Schedule 4	333				
Farm losses of preceding taxation years from Schedule 4	334				
Limited partnership losses of preceding taxation years from Schedule 4	335				
Taxable capital gains or taxable dividends allocated from a central credit union	340				
Prospector's and grubstaker's shares	350				
Subtotal		930	▶	930	B
Subtotal (amount A minus amount B) (if negative, enter "0")				513,467	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions			355		D
Taxable income (amount C plus amount D)			360	513,467	
Income exempt under paragraph 149(1)(t)			370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)					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	469,836	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	513,467	B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below

$225,000 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365	=		1
$250,000 x	Number of days in the taxation year in 2004 / Number of days in the taxation year	365	=		2
$300,000 x	Number of days in the taxation year after 2004 / Number of days in the taxation year	365 / 365	=	300,000	3
	Add amounts at line 1, 2, and 3			300,000	4

Business limit (see notes 1 and 2 below)	410	300,000	C

Notes: 1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 300,000 X **415** *** 29,434 D / 11,250 = 784,907 E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	0	F
Small business deduction – 16% of whichever amount is the least: A, B, C, or F . (enter amount G of line 9 on page 7)	430	0	G

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		=	a
Net active business income (amount from line 400)*			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	c		
Deduct:			
Aggregate investment income (amount from line 440 of page 6)	d		
Amount c minus amount d (if negative, enter "0")	▶		e
Amount a, b, or e above, whichever is less			f
Amount Z from Part 9 of Schedule 27 x 100 / 7 =	g		
Amount QQ from Part 13 of Schedule 27	h		
Taxable resource income from line 435 on page 5	i		
Amount used to calculate the credit union deduction (amount e in Part 3 of Schedule 17)	j		
Amount on line 400, 405, 410 or 425 of the small business deduction, whichever is less	k		
Total of amounts g, h, i, j, and k	▶		l
Amount f minus amount l (if negative, enter "0")			m
Accelerated tax reduction - 7% of amount m (enter amount n on line 637 of page 7)			n

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)]				435	H
Amount H	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365	x 1% =	I
Amount H	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	365	x 2% =	J
Amount H	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	365 / 365	x 3% =	K
Amount H	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	365	x 5% =	L
Amount H	x	Number of days in the taxation year after 2006 / Number of days in the taxation year	365	x 7% =	M
Resource deduction – total of amounts I, J, K, L , and M (enter amount N on line 10 of page 7)				438	N

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 page 3				513,467 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	
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less			F	
Aggregate investment income from line 440 of page 6		44,561	G	
Amount used to calculate the accelerated tax reduction (amount m of page 4)				
Subtotal		44,561	▶	44,561 H
Amount A minus amount H (if negative, enter "0")				468,906 I

Amount I	468,906 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365	x 5% =	J
Amount I	468,906 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	365 / 365	x 7% =	32,823 K
General tax reduction for Canadian-controlled private corporations - total of amounts J and K (enter amount L on line 638 of page 7)					32,823 L

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation

Taxable income from line 360 on page 3				M
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		N	
Amount QQ from Part 13 of Schedule 27			O	
Taxable resource income from line 435 above			P	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			Q	
Total of amounts N, O, P, and Q			▶	R
Amount M **minus** amount R (if negative, enter "0")				S

Amount S	x	Number of days in the taxation year in 2003 / Number of days in the taxation year		x 5% =	T
Amount S	x	Number of days in the taxation year after 2003 / Number of days in the taxation year		x 7% =	U
General tax reduction - total of amounts T and U (enter amount V on line 639 of page 7)					V

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (Amount P from Part 1 of Schedule 7)	440	44,561	X 26 2/3 % =		11,883	A
Foreign non-business income tax credit from line 632 on page 7						
Deduct:						
Foreign investment income (Amount O from Part 1 of Schedule 7)	445		X 9 1/3 % = (if negative, enter "0")			B
Amount A **minus** amount B (if negative, enter "0")					11,883	C
Taxable income from line 360 on page 3				513,467		
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 =			
				513,467	X 26 2/3% = 136,925	D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)				119,669		
Deduct: Corporate surtax from line 600 of page 7				5,751		
Net amount				113,918	113,918	E
Refundable portion of Part I tax – Amount C, D, or E, whichever is the least					450 11,883	F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding tax year	460	11,271		
Deduct: Dividend refund for the previous taxation year	465	11,271		
				G
Add the total of:				
Refundable portion of Part I tax from line 450 above		11,883		
Total Part IV tax payable from line 360 on page 2 of Schedule 3				
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480			
		11,883	11,883	H
Refundable dividend tax on hand at the end of the taxation year - Amount G **plus** amount H			485 11,883	

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	328,000	X 1/3	109,333	I
Refundable dividend tax on hand at the end of the taxation year from line 485 above			11,883	J
Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8)			11,883	

Part I tax

Base amount of Part I tax - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 — **550** 195,117 A

Corporate surtax calculation

Base amount from line A above		195,117	1
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		51,347	2
Investment corporation deduction from line 620 below			3
Federal logging tax credit from line 640 below			4
Federal qualifying environment trust tax credit from line 648 below			5
For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is the least:			
28% of taxable income from line 360 on page 3	a		
28% of taxed capital gains	b		6
Part I tax otherwise payable (line A **plus** line C and D **minus** line F)	110,947 c		
Total of lines 2 to 6		51,347	7
Net amount (line 1 minus line 7)		143,770	8

Corporate surtax - 4% of the amount on line 8 — **600** 5,751 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 — **602** C

Calculation for the refundable tax on 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		44,561	i
Taxable income from line 360 on page 3	513,467		
Deduct:			
Amount on line 400, 405, 410, or 425 of page 4, whichever is the least			
Net amount	513,467 ▶	513,467	ii

Refundable tax on CCPC's investment income – 6 2/3% of whichever is less: amount i or ii — **604** 2,971 D

Subtotal (add lines A, B, C, and D) 203,839 E

Deduct:

Small business deduction from line 430 on page 4			9
Federal tax abatement	**608**	51,347	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	**616**		
Investment corporation deduction	**620**		
(taxed capital gains **624**)			
Additional deduction – credit unions from Schedule 17	**628**		
Federal foreign non-business income tax credit from Schedule 21	**632**		
Federal foreign business income tax credit from Schedule 21	**636**		
Accelerated tax reduction from amount n of page 4	**637**		
Resource deduction from line 438 of page 5			10
General tax reduction for CCPCs from amount L on page 5	**638**	32,823	
General tax reduction from amount V on page 5	**639**		
Federal logging tax credit from Schedule 21	**640**		
Federal political contribution tax credit	**644**		
Federal political contributions **646**			
Federal qualifying environmental trust tax credit	**648**		
Investment tax credit from Schedule 31	**652**		
Subtotal		84,170 ▶	84,170 F

Part I tax payable – Line E **minus** line F (enter amount G on line 700 of page 8) — 119,669 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	119,669
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax tax 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		119,669

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	119,669	A

Deduct other credits:

Investment tax credit refund from Schedule 31	780			
Dividend refund from page 6	784	11,883		
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 - 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	107,786		
Total credits	890	119,669	119,669	B
Balance (line A minus line B)			0	I

Refund Code 894 ☐ Overpayment

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
Enclosed payment 898

Direct Deposit Request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below.

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance is due? 896 1 Yes ☐ 2 No ☒ NA ☐

Certification

950 COOLEDGE (Surname) 951 LAURIE ANN (First name) 954 Treasurer (Position, office or rank)

955 2006/05/11 (Date) 956 (705) 431-4321 (Telephone number)

Is the contact person the same as the authorized signing officer? If *no*, complete the information below. 957 1 Yes ☒ 2 No ☐

958 Name 959 ( ) - Telephone number

Language of correspondence - Langue de correspondance

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

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NET INCOME (LOSS) FOR INCOME TAX PURPOSES — Schedule 1

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

Net income (loss) after taxes and extraordinary items per financial statements				A	712,601
Add:					
Provision for income taxes - current		101	159,000		
Amortization of tangible assets		104	1,466,973		
Amortization of intangible assets		106	19,002		
Income/loss for tax purposes - joint ventures/partnerships		109	(1,006)		
Charitable donations - Schedule 2		112	930		
Non-deductible meals and entertainment expenses	4,611 X 50%	121	2,306		
Tax reserves deducted in prior year - Schedule 13		125	43,357		
Total of fields 201 to 294		199	337,388		
Total of fields 101 to 199		500	2,027,950		2,027,950
Deduct:					
Gain on disposal of assets per financial statements		401	2,504		
Capital cost allowance - Schedule 8		403	1,030,115		
Cumulative eligible capital deduction - Schedule 10		405	34,379		
Tax reserves claimed in current year - Schedule 13		413	798,552		
Reserves from financial statements - balance at the beginning of the year		414	65,000		
Total of fields 300 to 394		499	295,604		
Total of fields 401 to 499		510	2,226,154		2,226,154
Net income (loss) for income tax purposes (enter on line 300 of the T2 return)					514,397

Add:
Other additions:

602	Capital Tax booked in 2005 for Accounting			292	56,040
603	Par. 12 (1)(x) contributions capitalized on F/S			293	248,035
604	Co-operative Education Tax Credit Claimed		7,705		
	Writedown of Transition Costs		25,608		
	Other additions		33,313	294	33,313
	Total of fields 201 to 294 (Enter this amount at line 199)				337,388

Deduct:
Other deductions:

700	Ss. 13(7.4) election re Contributions in aid of construction	390	248,035
701	Capital Tax for Tax purposes	391	47,569
	Total of fields 300 to 394 (Enter this amount at line 499)		295,604

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CHARITABLE DONATIONS AND GIFTS

Schedule 2

- For use by corporations to claim any of the following:
  - charitable donations
  - gifts to Canada, a province, or a territory
  - gifts of certified cultural property
  - gifts of certified ecologically sensitive land
- The donations and gifts are eligible for a five-year carryforward.
- Use this schedule to show a credit transfer following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*.
- For gifts made after March 22, 2004, proposed subsection 110.1(1.2) of the *Income Tax Act* provides as follows:
  - where a particular corporation has undergone a change of control, for taxation years that end on or after the change of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the change of control.
  - if a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the change of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return.*
- For more information, see the *T2 Corporation – Income Tax Guide.*

Current year donations and gifts

Name of organization (optional)	Type of gift	Amount paid
Juvenile Diabetes Research	Donation	100
Community Safety Net	Donation	330
Simcoe County Museum	Donation	500
	Donation	
	Total current year donations and gifts	930

Part 1 - Charitable donations

Year of origin	Balance at end of prior year	Beginning balance	Transfer on amalgamation or wind-up	Current year donations	Adjustment on acquisition of control	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
2005/12/31				930		930	
Totals				930		930	

Charitable donations at the end of the preceding taxation year				
Deduct: Charitable donations expired after five taxation years	239			
Charitable donations at the beginning of the taxation year	240		▶	
Add:				
Charitable donations transferred on an amalgamation or the windup of a subsidiary	250			
Total current-year charitable donations made (enter this amount on line 112 of Schedule 1)	210	930		
Subtotal (line 250 plus line 210)		930	▶	930
Deduct: Adjustment for an acquisition of control (for donations made after March 22, 2004)			255	
Total charitable donations available			A	930
Deduct: Amount applied against taxable income (cannot be more than amount K in Part 2) (enter this amount on line 311 of the T2 return)			260	930
Charitable donations closing balance			280	

CHARITABLE DONATIONS AND GIFTS

Part 2 - Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes * **multiplied** by 75%			514,397	X 75 % =	B	385,798
Taxable capital gains arising in respect of gifts of capital property		225	C			
Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01)		227	D			
The amount of the recapture of capital cost allowance in respect of charitable gifts	230					
Proceeds of disposition, less outlays and expenses	E					
Capital cost	F					
Amount E or F, whichever is less	235					
Amount on line 230 or 235, whichever is less			G			
Subtotal			H	X 25 % =	I	
			Subtotal (amount B plus amount I)		J	385,798
Maximum allowable deduction for charitable donations (enter amount A from Part 1, amount J, or net income for tax purposes, whichever is less)					K	930

* For credit unions, this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Part 3 - Gifts to Canada, a province or a territory

Year of origin	Balance at end of prior year	Beginning balance	Transfer on amalgamation or wind-up	Current year gifts	Adjustment on acquisition of control	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
2005/12/31							
Totals							

Gifts to Canada, a province, or a territory at the end of the preceding taxation year			
Deduct: Gifts to Canada, a province, or a territory expired after five taxation years	339		
Gifts to Canada, a province, or a territory at the beginning of the taxation year	340	▶	
Add: Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary	350		
Total current-year gifts made to Canada, a province, or a territory *	310		
Subtotal (line 350 plus line 310)		▶	
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)		355	
Total gifts to Canada, a province, or a territory available			
Deduct: Amount applied against taxable income (enter this amount on line 312 of the T2 return)		360	
Gifts to Canada, a province, or a territory closing balance		380	

* Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. Enter gifts made after February 18, 1997 as charitable donations.

CHARITABLE DONATIONS AND GIFTS

Part 4 - Gifts of certified cultural property

Year of origin	Balance at end of prior year	Beginning balance	Transfer on amalgamation or wind-up	Current year gifts	Adjustment on acquisition of control	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
2005/12/31							
Totals							

Gifts of certified cultural property at the end of the preceding taxation year				
Deduct: Gifts of certified cultural property expired after five taxation years	439			
Gifts of certified cultural property at the beginning of the taxation year	440		▶	
Add: Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	450			
Total current-year gifts of certified cultural property	410			
Subtotal (line 450 plus line 410)			▶	
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)			455	
Total gifts of certified cultural property available				
Deduct: Amount applied against taxable income (enter this amount on line 313 of the T2 return)			460	
Gifts of certified cultural property closing balance			480	

Part 5 - Gifts of certified ecologically sensitive land

Year of origin	Balance at end of prior year	Beginning balance	Transfer on amalgamation or wind-up	Current year gifts	Adjustment on acquisition of control	Applied	Ending balance
		Expired					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
2005/12/31							
Totals							

Gifts of certified ecologically sensitive land at the end of the preceding taxation year				
Deduct: Gifts of certified ecologically sensitive land expired after five taxation years	539			
Gifts of certified ecologically sensitive land at the beginning of the taxation year	540		▶	
Add: Gifts of certified ecologically sensitive land transferred an an amalgamation or the windup of a subsidiary	550			
Total current-year gifts of certified ecologically sensitive land	510			
Subtotal (line 550 plus line 510)			▶	
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)			555	
Total gifts of certified ecologically sensitive land available				
Deduct: Amount applied against taxable income (enter this amount on line 314 of the T2 return)			560	
Gifts of certified ecologically sensitive land closing balance			580	

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DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

Schedule 3

- 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.
- If you need more space, continue on a separate schedule.
- 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*.

Part 1 - Dividends received during the taxation year

Do not include dividends received from foreign non-affiliates.

A	B	C	D	E	F
Name of payer corporation **200**	Connected? **205**	Dividends from foreign source?	Dividends subject to Part IV tax?	Dividends deductible from income under s.112, 113, and 138(6) **240**	Non-taxable dividends deductible under section 83 **230**

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.

Complete if payer corporation is connected and a private or subject corporation					
G	H	I	J		K
Business number **210**	Taxation year end of the payer corporation in which the dividend was paid **220**	Total taxable dividends paid by connected payer corporation **250**	Dividend refund of the connected payer corporation **260**		Part IV tax before deductions ** **270**
RC		0	0		0

Total non-taxable dividends deductible under section 83 _____

Total dividends deductible from income under sections 112, 113, and 138(6) _____

** For dividends received from non-connected corporations, Part IV tax = the amount entered in column E x 1/3
For dividends received from connected corporations, do the following calculation: Part IV tax = column E x column J / column I
Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
Public corporations (other than subject corporations) do not need to calculate Part IV tax.

Part 2 - Calculation of Part IV tax payable

Part IV tax before deductions (total of column K in Part 1) _____

Deduct:

Part IV.I tax payable on dividends subject to Part IV tax **320** _____

Subtotal _____

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax **330** _____

Non-capital losses from previous years claimed to reduce Part IV tax **335** _____

Current-year farm loss claimed to reduce Part IV tax **340** _____

Farm losses from previous years claimed to reduce Part IV tax **345** _____

Total losses applied against Part IV tax _____ x 1/3 = _____

Part IV tax payable (enter amount on line 712 of the T2 return) **360** 0

DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND PART IV TAX CALCULATION

Part 3 - Taxable dividends paid in the taxation year for purposes of a dividend refund

A Name of connected recipient corporation 400	B Business number 410	C Taxation year end of connected recipient corporation in which the dividend was received 420	D Taxable dividends paid to connected corporations 430
Town of Innisfil	RC	2005/12/31	328,000
	RC		
		Total	328,000

Note

If your corporation's taxation year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one taxation year of the recipient corporation. If so, use a separate line to provide the information for each taxation year of the recipient corporation.

Total taxable dividends paid in the taxation year to other than connected corporations	450	
Total taxable dividends paid in the taxation year for the purposes of a dividend refund (total of column D above plus line 450)	460	328,000

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.

		500	
Deduct:			
Dividends paid out of capital dividend account	510		
Capital gains dividends	520		
Dividends paid on shares described in subsection 129(1.2)	530		
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540		
Subtotal			
Total taxable dividends paid in the taxation year for purposes of a dividend refund			0

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CALCULATION OF AGGREGATE INVESTMENT INCOME AND ACTIVE BUSINESS INCOME

Schedule 7

- This schedule is for the use of Canadian-controlled private corporations to calculate:
  - foreign investment income and aggregate investment income for the purpose of determining the refundable portion of Part I tax, as defined in subsection 129(4) of the *Income Tax Act*;
  - income from an active business carried on in Canada for the small business deduction; and
  - specified partnership income for members of one or more partnership(s).
- For more information, see the sections called "Small Business Deduction" and "Refundable Portion of Part 1 Tax" in the *T2 Corporation Income Tax Guide*.

Details of property income (losses)

	Foreign	Aggregate
Taxable dividends deductible from Schedule 3		
Related expenses	-	-
Taxable dividends deductible after deducting related expenses	=	=
Net rental income (loss) before CCA:		
Subtotal		
Capital cost allowance	-	-
Net rental income (loss)	=	=
Exempt income	+	+
Amounts received from NISA Fund No. 2	+	+
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) of the *Income Tax Act*	+	+
Interest and other property income:		
Interest Income	+	+ 44,561
	+	+
Total income (losses) from property	=	= 44,561

Part 1 - Foreign and aggregate investment income calculation		**FOREIGN** investment income	**AGGREGATE** investment income	
The eligible portion of taxable capital gains included in income for the year		001	002	A
	Eligible portion of allowable capital losses for the year (including allowable business investment losses)	009	012	B
	Net capital losses of other years claimed on line 332 on the T2 return		022	C
Total of amounts B and C				D
Amount A **minus** amount D (if negative, enter "0")		0	0	E
Total income from property (in box 32 include income from a specified investment business carried on in Canada other than income from a source outside Canada)		019	032 44,561	F
	Exempt income	029	042	G
	Amounts received from NISA Fund No. 2 that were included in computing the corporation's income for the year		052	H
	Taxable dividends deductible from Schedule 3, and taxable dividends deductible under paragraph 113(1)(d) and subsection 113(2)	049	062	I
	Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059	072	J
Total of amounts G, H, I, and J				K
Amount F **minus** amount K			44,561	L
Total of amount E **plus** amount L			44,561	M
Total losses from property (in box 82 include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)		069	082	N
Amount M **minus** amount N (if negative, enter "0")		079 O 0	092 P 44,561	

Note: The aggregate investment income is the aggregate world source income.

Enter amount O, foreign investment income, on line 445 of the T2 return.
Enter amount P, aggregate investment income, on line 440 of the T2 return.

AGGREGATE INVESTMENT INCOME AND ACTIVE BUSINESS INCOME

Part 2 - Specified partnership income

A			B	C
Partnership name **200**	Start of fiscal period	End of fiscal period	Total income (loss) from active business **300**	Corporation's share of amount in column B **310**

D	E	F	G	H	I
Adjustments (add reserves deducted under ss.34.2(5) and deduct expenses) **315**	Corporation's income (loss) of the partnership (column C **plus** column D) **320**	# of days in the partnership's fiscal period **325**	Prorated business limit (column C ÷ column B) x [business limit* x (column F ÷ 365)]** **330**	Column E **minus** column G (if negative, enter "0")	Lesser of columns E and G (if negative, enter "0") **340**
Total	**350**		Total	**385**	**360**

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) - enter as a positive amount **370** _____

Specified partnership loss of the corporation for the year - enter as a positive amount (total of all negative amounts in column E) **380** _____

Totals of line 370 and 380 _____ ▶ _____ J

Amount at line 385 or line J, whichever is less **390** _____

Specified partnership income (line 360 **plus** line 390) **400** _____

* Use one of the following business limits to calculate column G, whichever applies:

- $225,000 if the corporation's taxation year ends in 2003.
- $250,000 if the corporation's taxation year ends in 2004.
- $300,000 if the corporation's taxation year ends in 2005 or after.

** When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is not netted against the partnership's income.

Part 3 - Determination of partnership income

Corporation's share of partnership income from active businesses carried on in Canada after deducting related expenses - from line 350 above (if the net amount is negative, enter "0" on line O) _____ K

Add: Specified partnership loss (from line 380 above) _____ L

Subtotal _____ M

Deduct: Specified partnership income (from line 400 above) _____ N

Partnership income* (enter on line S below) **450** _____ O

* If the amount on line 450 is positive, complete Schedule 70.

Part 4 - Income from active businesses carried on in Canada

Net income for income tax purposes from line 300 of the T2 return _____ 514,397 P

Deduct: Foreign business income after deducting related expenses * **500** _____

Taxable capital gains **minus** allowable capital loss - amount A **minus** amount B* (page 1) ** _____

Net property income = amount F **minus** amounts G, H and N * (page 1) _____ 44,561 Q

Personal services business income after deducting related expenses * **520** _____

44,561 _____ 44,561

Net amount _____ 469,836 R

Deduct: Partnership income (line 450 above) _____ S

Income from active business carried on in Canada (enter on line 400 of the T2 return - if negative, enter "0") _____ 469,836 T

* If negative, enter amount in brackets, and **add** instead of **subtracting**.

** This amount may only be negative to the extent of any allowable business investment losses.

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CAPITAL COST ALLOWANCE

Schedule 8

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

1 Class **200**	2 UCC at start of year **201**	3 Cost of additions in the year **203**	4 Net adjustments **205**	5 Proceeds of dispositions in the year **207**	7 Adjustment for additions (1/2 x (col 3 - 5)) **211**	8 Base amount for CCA	9 Rate % **212**	10 CCA for the year (col 8 x 9 or a lower amount) **217**	11 Recapture of CCA **213**	12 Terminal loss **215**	13 UCC at the end of the year **220**
1	18,581,623	1,043,885	(294,138)		521,943	18,809,427	4	752,377			18,578,993
8	649,341	62,282			31,141	680,482	20	136,096			575,527
10	137,682	69,628		2,504	33,562	171,244	30	51,373			153,433
12	5,496	102,254			51,127	56,623	100	56,623			51,127
45	64,399	20,739			10,370	74,768	45	33,646			51,492
Totals	19,438,541	1,298,788	(294,138)	2,504	648,143	19,792,544		1,030,115			19,410,572

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RELATED AND ASSOCIATED CORPORATIONS

Schedule 9

This form is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name **100**	Country (if not Canada) **200**	Business # (Canadian corporation only) **300**	Code note 1 **400**	Common shares # owned **500**	Common shares % owned **550**	Preferred shares # owned **600**	Preferred shares % owned **650**	Book value of capital stock **700**
Innisfil Energy Services Limited		86556 4595 RC 0001	3					
Town of Innisfil		NR	1	1,000	100.000			10,852,444

Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION — Schedule 10

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")				200	491,129	A
Add: Cost of eligible capital property acquired during the taxation year	222					
Other adjustments	226					
Subtotal (line 222 plus line 226)			x 3/4 =		B	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228		x 1/2 =		C	
amount B minus amount C (if negative, enter "0")				▶		D
Amount transferred on amalgamation or wind-up of subsidiary				224		E
Subtotal (add amounts A, D, and E)				230	491,129	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G			
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H			
Other adjustments	246		I			
(add amounts G, H, and I)			x 3/4 =	248		J
Cumulative eligible capital balance (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)					491,129	K
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249					
amount K		491,129				
less amount from line 249						
Current year deduction		491,129	x 7% =	250	34,379 *	
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)				▶	34,379	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")				300	456,750	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

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

Amount from line K (show as positive amount)						N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	400			1		
Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7)	401			2		
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402		3			
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408		4			
Line 3 minus line 4 (if negative, enter "0")			▶		5	
Total of lines 1, 2, and 5					6	
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400			7			
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000			8			
Subtotal (line 7 plus line 8)	409		▶		9	
Line 6 minus line 9 (if negative, enter "0")						O
Line N minus line O (if negative, enter "0")						P
Line 5			x 1/2 =			Q
Line P minus line Q (if negative, enter "0")						R
Amount R			x	66.6667		S
Amount N or amount O, whichever is less						T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)				410		

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CONTINUITY OF RESERVES

Schedule 13

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 - Capital gains reserves

Description of property 001	Balance at the beginning of the year 002	Transfer on wind-up or amalgamation 003	Balance at the end of the year 004
Totals	008	009	010

The total capital gains reserve at the beginning of the taxation year plus the total transfer on wind-up or amalgamation should be entered on line 880, and the total capital gains reserve at the end of the taxation year should be entered on line 885 of Schedule 6.

Part 2 - Other reserves not deducted for accounting purposes

Description of property	Balance at the beginning of the year		Transfer on wind-up or amalgamation	Balance at the end of the year	
Reserve for doubtful debt	110		115	120	
Reserve for undelivered goods and services not rendered	130		135	140	
Reserve for prepaid rent	150		155	160	
Reserve for December 31, 1995 income	170		175	180	
Reserve for returnable containers	190		195	200	
Reserve for unpaid amounts	210		215	220	
Other tax reserves	230	43,357	235	240	798,552
Totals	270	43,357	275	280	798,552

The amount from line 270 plus the amount from line 275 should be included on line 125 of Schedule 1 as an addition.
The amount from line 280 should be included on line 413 of Schedule 1 as a deduction.

Part 3 - Accounting reserves not deductible for tax purposes

Description of property	Balance at the beginning of the year		Balance at the end of the year
S. Mayor Hope Settlement Accrual		65,000	
Totals	A	65,000	B

Enter amount A on line 414 of Schedule 1 as a deduction.
Enter amount B on line 126 of Schedule 1 as an addition.

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Schedule 23

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.

Allocation of the business limit

Date filed (for departmental use only) **025** _____

Enter the calendar year to which the agreement applies **050** 2005

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** ☐ 1 Yes ☒ 2 No

	1 Names of associated corporations **100**	2 Business Number of associated corporations **200**	3 Association code **300**
1	INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	89242 2817 RC 0001	4
2	Innisfil Energy Services Limited	86556 4595 RC 0001	4
3	Town of Innisfil	NR	4

Allocate business limit using: ☒ % ☐ $

	Taxation year		4 Business limit for the year (before allocation) $	Allocating business limit 5 Percentage of the business limit (%) **350**	6 Business limit allocated $ **400**	7 Gross Part I.3 tax for business limit reduction
	Start	End				
1	2005/01/01	2005/12/31	300,000	100.000	300,000	29,434
2	2005/01/01	2005/12/31	300,000			
3	2004/01/01	2004/12/31	250,000			
TOTALS				100.000	A 300,000	29,434

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. $ 300,000

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SHAREHOLDER INFORMATION

Schedule 50

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust) **100**	Business Number (If a corporation is not registered, enter "NR") **200**	Social Insurance Number * **300**	Percentage common shares **400**	Percentage preferred shares **500**
Town of Innisfil	NR		100.000	
	RC			

* If the shareholder is a trust, enter NR at field 200 or NA at field 300.

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BALANCE SHEET INFORMATION

Schedule 100

Assets	Code	Current year	Prior year
Cash and deposits	**1000**	3,181,662	1,987,238
Other cash like instruments	1007	511,368	498,773
Accounts Receivable	1060	3,703,905	4,091,850
Inventories	1120	220,213	190,567
Prepaid expenses	1484	171,952	143,482
Total tangible capital assets	2008	36,538,371	35,527,256
Accumulated amortization of total tangible capital assets	2009	(20,244,528)	(18,798,190)
Due from / investment in related parties	2240	1,085,599	1,072,525
Other deferred items / charges	2424	1,903,637	2,339,991
Total assets	**2599**	27,072,179	27,053,492

Liabilities	Code	Current year	Prior year
Bank overdraft	**2600**		
Amounts payable and accrued liabilities	2620	1,962,461	3,130,330
Interest payable	2629	172,575	182,051
Taxes payable	2680	(343,910)	(89,486)
Current portion of long term liability	2920	440,000	399,000
Bankers' acceptances	2940	1,000,000	1,000,000
Deposits received	2961	846,016	618,196
Due to shareholder(s) / director(s)	3260	8,747,444	9,187,444
Other long term liabilities	3320	751,176	700,942
General provisions / reserves	3325	1,186,801	
Total liabilities	**3499**	14,762,563	15,128,477

Equity	Code	Current year	Prior year
Common shares	**3500**	10,852,444	10,852,444
Contributed surplus	3541	313,298	313,298
Retained earnings / deficit	**3600**	1,143,874	759,273
Total equity	**3620**	12,309,616	11,925,015
Total liabilities and equity	**3640**	27,072,179	27,053,492

Retained earnings	Code	Current year	Prior year
Retained earnings/deficit-start	**3660**	759,273	579,820
Net income / loss	**3680**	712,601	417,453
Dividends declared	3700	(328,000)	(238,000)
Total retained earnings	**3849**	1,143,874	759,273

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INCOME STATEMENT INFORMATION

Schedule 125

Details

Operating name, if different from the corporations' legal name
0001

Description of operation, if filing multiple Schedules 125
0002

Revenue	Code	Current year	Prior year
Trade sales of goods and services	**8000**	23,265,244	19,940,540
Total sales of goods and services	**8089**	23,265,244	19,940,540
Other revenue	8230	507,942	581,235
Total revenue	**8299**	23,773,186	20,521,775

Cost of sales	Code	Current year	Prior year
Opening inventory	**8300**		
Purchases / cost of materials	8320	17,757,193	14,504,235
Cost of sales	**8518**	17,757,193	14,504,235
Gross profit / loss (item 8089 - item 8518)	**8519**	5,508,051	5,436,305

Operating expenses	Code	Current year	Prior year
Amortization of intangible assets	8570	19,002	19,002
Amortization of tangible assets	8670	1,466,973	1,433,291
Interest on long term debt	8714	895,610	948,226
Other expenses	9270	1,017,608	950,845
Selling expenses	9273	842,374	778,884
General and administrative expenses	9284	902,825	998,962
Total operating expenses	**9367**	5,144,392	5,129,210
Total expenses	**9368**	22,901,585	19,633,445
Net non-farming income	**9369**	871,601	888,330

Farming revenue	Code	Current year	Prior year
Grains and oilseeds	**9370**		
Total farm revenue	**9659**		

Farming expenses	Code	Current year	Prior year
Crop expenses	**9660**		
Total farm expenses	**9898**		
Net farm income	**9899**		
Net income / loss before taxes and extraordinary items	**9970**	871,601	888,330

Summary

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

Extraordinary items	**9975**	-		-	
Legal settlements	**9976**	-		-	
Unrealized gains / losses	**9980**	+		+	
Unusual items	**9985**	-		-	
Current income taxes	**9990**	-	159,000	-	470,877
Future income tax provision	**9995**	-		-	
Net income / loss after taxes and extraordinary items	**9999**	=	712,601	=	417,453

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NOTES CHECKLIST

Schedule 141

- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide*.
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner information

Does the accounting practitioner have a professional designation?	095	☒ Yes	☐ No
Is the accounting practitioner connected* with the corporation?	097	☐ Yes	☒ No

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note
If the accounting practitioner does not have a professional designation or is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: **198**

Completed an auditor's report	1 ☒
Completed a review engagement report	2 ☐
Conducted a compilation engagement	3 ☐

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation?	099	☐ Yes	☒ No

Part 4 – Other information

Were notes to the financial statements prepared?	101	☒ Yes	☐ No
If *Yes*, complete lines 102 to 107 below:			
Are any values presented at other than cost?	102	☐ Yes	☒ No
Has there been a change in accounting policies since the last return?	103	☐ Yes	☒ No
Are subsequent events mentioned in the notes?	104	☐ Yes	☒ No
Is re-evaluation of asset information mentioned in the notes?	105	☐ Yes	☒ No
Is contingent liability mentioned in the notes?	106	☒ Yes	☐ No
Is information regarding commitments mentioned in the notes?	107	☐ Yes	☒ No
Does the corporation have investments in joint venture(s) or partnership(s)?	108	☒ Yes	☐ No
If *Yes*, complete line 109 below:			
Are you filing financial statements of the joint venture(s) or partnership(s)?	109	☐ Yes	☒ No

Innisfil Hydro Distribution Systems Limited.
Business Number 89242 2817
December 31, 2005

Election under Subsection 13(7.4)

The taxpayer hereby elects to have subsection 13(7.4) of the Income Tax Act (Canada) apply to the contributions in aid of construction from developers in the amount of $248,035.

Ontario tax instalments

Instalment base

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Year-end	Estimate for current year 2006/12/31	First instalment base 2005/12/31	Second instalment base 2004/12/31
Taxable income	1,850,000	513,467	1,376,328
Base amount of tax	259,000	71,885	192,686
Small business tax credit	34,000	34,000	34,000
Surtax on CCPCs	34,000	7,866	34,000
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits		7,705	
Other tax credits			
Income tax payable	259,000	38,046	192,686
Corporate minimum tax payable			
Capital tax payable	50,000	47,569	56,038
Premium tax payable			
Total tax payable	309,000	85,615	248,724
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years	309,000	85,615	248,724
Estimated tax credits for the current year			
Instalment base	309,000	85,615	248,724
Monthly payment	25,750	7,135	20,727
Quarterly payment	77,250	21,404	62,181

Instalment payment options

- [x] 1. based on estimated taxes for the current year
- [ ] 2. based on the first instalment base
- [ ] 3. based on the first and second instalment base
- [ ] 4. instalments are not required

Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2006/01/31	25,750		
2006/02/28	25,750		
2006/03/31	25,750		
2006/04/30	25,750		
2006/05/31	25,750		128,750
2006/06/30	25,750		25,750
2006/07/31	25,750		25,750
2006/08/31	25,750		25,750
2006/09/30	25,750		25,750
2006/10/31	25,750		25,750
2006/11/30	25,750		25,750
2006/12/31	25,750		25,750
Total	309,000		309,000

Ontario

Ministry of Finance

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

2004/ 2005

CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2002

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Consumer and Business Services (MCBS) **Annual Return.** Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No

Ministry Use

Corporation's Legal Name *(including punctuation)*
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

Ontario Corporations Tax Account No. (MOF)
1800117

Mailing address
2073 COMMERCE PARK DR

City	Province	Country	Postal code
INNISFIL	ON	CA	L9S 4A2

This Return covers the Taxation Year
Start 2005/01/01
End 2005/12/31

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of change | year month day

Date of Incorporation or Amalgamation
2000/10/05

Registered/Head Office Address
2073 COMMERCE PARK DR

City	Province	Country	Postal code
INNISFIL	ON		L9S 4A2

Ontario Corporation No. (MCBS) 7284940

Location of Books and Records
2073 COMMERCE PARK DR

City	Province	Country	Postal code
INNISFIL	ON		L9S 4A2

Canada Customs and Revenue Agency Business No.
892422817RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
LAURIE ANN COOLEDGE	(705) 431-4321	( ) -

Jurisdiction Incorporated: Ontario

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

City	Province	Country	Postal code

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced
Ceased
☒ *Not Applicable*

Former Corporation Name (*Extra-Provincial Corporations only*) ☐ *Not Applicable* (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▸

No. of Schedule(s): 0

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

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
LAURIE ANN COOLEDGE

Title: D ☐ Director O ☐ Officer P ☐ Other individual 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.

Taxation Year End

Exempt From Filing (EFF) Corporations Tax Return Declaration

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

This EFF Declaration must be filed for each taxation year that the corporation is exempt from filing and must be filed within 6 months after the corporation's taxation year end.

Criteria for exempt from filing status:

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

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

Note 2: The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

- If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.
- If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
- If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items MUST be completed for EFF declarations only. In cases where the Annual Return, which includes page 1, **is also** being filed, completion of these fields **is not** required.

1. Corporation's Mailing Address				2. Ontario Corporation No. (MCBS)	3. Canada Customs and Revenue Agency Business No.
City	Province	Country	Postal code		RC

I, _____ declare that:

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

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

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

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		
☒	☐	(a)	The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. Indicate Share Capital with full voting rights owned by Canadian Residents (nearest whole percentage) 100 %
☐	☒	(b)	The corporation's taxable income for the taxation year is $200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (*Refer to Guide*)
☐	☒	(c)	The corporation is **not** a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.
☐	☒	(d)	The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each $1,500,000 or less and the corporation is not a financial institution; or The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each $3,000,000 or less and the corporation is not a financial institution.
☐	☒	(e)	The corporation is **not** claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC), Graduate Transitions Tax Credit (GTTC) or Apprenticeship Training Tax Credit (ATTC).
☒	☐	(f)	The corporation's Ontario allocation factor is 100%.

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

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

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

1
- 1 [X] Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (*specify*)

Share Capital with full voting rights owned by Canadian Residents. (nearest %) 100 %

2
- 1 [ ] Family Farm Corporation s.1(2)
- 2 [ ] Family Fishing Corporation s.1(2)
- 3 [ ] Mortgage Investment Corp 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 Corp s.2(2)(a) or (b)
- 9 [ ] Non-resident Corporation s.2(2)(c)
- 10 [ ] Mutual Fund Corporation s.48
- 11 [ ] Non-resident owned investment Corporation s.49
- 12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 [ ] Bare Trustee Corporation
- 15 [ ] Branch of Non-resident s.63(1)
- 16 [ ] Financial institution prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [X] Hydro successor, Municipal Electrical Utility or subsidary of either
- 20 [ ] Producer and seller of steam for uses other than for the generation of electricity
- 21 [ ] Insurance Exchange s.74.4
- 22 [ ] Farm Feeder Finance Co-operative Corporation
- 23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office No.)

Ontario Employer Health Tax Account No.
(Use Head Office No.)

Specify major business activity

Please check (✓) 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: _____

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

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From 690	±	514,397
Subtract: Charitable donations	1	-	930
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	2	-	
Subtract: Taxable dividends deductible, per federal Schedule 3	3	-	
Subtract: Ontario political contributions *(Attach schedule* 2A) (Int.B. 3002R)	4		
Subtract: Federal Part VI.1 tax X 3	5	-	
Subtract: Prior years' losses applied - Non-capital losses	From 704		
From 715 Net capital losses (page 16) X inclusion rate 50.000000 % =	714		
Farm losses	From 724	-	
Restricted farm losses	From 734	-	
Limited partnership losses	From 754	-	
Taxable income (Non-capital loss)	10	=	513,467
Addition to taxable income for unused foreign tax deduction for federal purposes	11	+	
Adjusted taxable income 10 + 11 (if **10** is negative, enter **11**)	20	=	513,467

Taxable Income

Number of days in Taxation Year

From **10** (or **20**) 513,467 X**30** 100.0000 % X 12.5 % X **33** (Days after Dec. 31, 2002 and before Jan. 1, 2004) ÷ **73** (Total Days) 365 = **29** +

Ontario Allocation

From **10** (or **20**) 513,467 X**30** 100.0000 % X 14.0 % X **34** (Days after Dec. 31, 2003) 365 ÷ **73** (Total Days) 365 = **32** + 71,885

Ontario Allocation

Income Tax Payable (before deduction of tax credits) **29** + **32** — **40** = 71,885

Incentive Deduction for Small Business Corporations (IDSBC)(s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (✓) ☒ Yes ☐ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	469,836
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	51 + 513,467		
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 -		
	= 513,467 ▶	54	513,467
Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	55 + 300,000		

Ontario Business Limit Calculation

320,000 X **31** (Days after Dec. 31, 2002 and before Jan. 1, 2004) ÷** 365 =+ **46**

400,000 X **34** 365 (Days after Dec. 31, 2003) ÷** 365 =+ **47** 400,000

Business limit for Ontario purposes **46** + **47** = **44** 400,000 X **48** 100.0000 % (Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated) = **45** 400,000

Income eligible for the IDSBC From **30** 100.0000 % (***Ontario Allocation) X **56** 400,000 (Least of **50**, **54** or **45**) **60** = 400,000

* ***Note***: *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note***: *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note***: *Ontario Allocation for IDSBC purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

		Number of Days in Taxation Year: Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days			
7.0 % X **31**		÷ **73**	365	= **89** +	
		Days after Dec. 31, 2003		Total Days			
8.5 % X **34**	365	÷ **73**	365	= **90** +	8.5000
IDSBC Rate for Taxation Year **89** + **90**					**78** =	8.5000
Claim	From **60**	400,000	X From **78**	8.5000 %	**70** =	34,000

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 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** +	513,467
If you are a member of an associated group (✓) **81** ☒ (Yes)			
Taxable income of associated corporations *(Attach schedule)*		**82** +	55,070
Aggregate Taxable Income		**85** =	568,537

Number of days in Taxation Year

		Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days			
320,000 X	**31**		÷ **73**	365	= **115** +		
		Days after Dec. 31, 2003		Total Days			
400,000 X	**34**	365	÷ **73**	365	= **116** +	400,000	
				115 + **116**	=	400,000 ▶	**114** - 400,000
(If negative, enter nil)							**86** = 168,537

Calculation of Specified Rate for Surtax

		Number of Days in Taxation Year: Days after Dec. 31, 2002		Total Days		
4.667% X **38**	365	÷ **73**	365	= **97** +	4.6670
From **86** 168,537 X From **97** 4.6670 % =					**87** = 7,866
From **87** 7,866 X From **60** 400,000 ÷ From **114** 400,000					**88** = 7,866

Surtax: Lesser of **70** or **88** **100** = 7,866

* ***Note: Short Taxation Years*** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing, is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits		120 +	
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From 56 -		400,000
Add: Adjustment for Surtax on Canadian-controlled private corporations From **100** 7,866 ÷ From **30** 100.0000 % ÷ From **78** 8.5000 % = **121** 92,541 *Ontario Allocation			
Lesser of **56** or **121**		122 +	92,541
120 - 56 + 122		130 =	
Taxable income	From 10 +		513,467
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From 56 -		400,000
Add: Adjustments for Surtax on Canadian-controlled private corporations	From 122 +		92,541
Subtract: Taxable income **10** X Allocation % to jurisdictions outside Canada		140 -	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses		141 -	44,561
10 - 56 + 122 - 140 - 141		142 =	161,447

Claim

Number of Days in Taxation Year

143 Lesser of **130** or **142**	X From **30** *Ontario Allocation	100.0000 % X 1.5% X	**33** Days after Dec. 31, 2002 and before Jan. 1, 2004	÷	**73** Total Days	365	=	**154** +	
143 Lesser of **130** or **142**	X From **30** *Ontario Allocation	100.0000 % X 2.0% X	**34** Days after Dec. 31, 2003	365 ÷	**73** Total Days	365	=	**156** +	

M&P claim for taxation year **154 + 156** 160 =

***Note:** Ontario Allocation for M&P Credit purposes may differ from **30** if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations 161 =

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity 162 =

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R) *(Attach schedule)* 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit **175** Credit Claimed **180**

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 -170 - 180 190 = 45,751

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to scientific research and experimental development in Ontario.
Eligible Credit from **5620** OITC Claim Form *(Attach original Claim Form)* — **191** +

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit from **5798** CT23 Schedule 113 *(Attach Schedule 113)* — **192** + 7,705

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production **204**
Eligible Credit from **5850** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* — **193** +

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From **6596** **194**
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005.
Eligible Credit from **6598** CT23 Schedule 115 *(Attach Schedule 115)* — **195** +

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit from **6900** OBPTC Claim Form
*(Attach **both** the original Claim Form and the Certificate of Eligibility)* — **196** +

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit from **6700** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) — **197** +

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit from **7100** OBRITC Claim Form *(Attach original Claim Form)* — **198** +

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit from **7300** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* — **199** +

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit from **7400** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* — **200** +

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit from **7500** OSRTC Claim Form
*(Attach **both** the original Claim Form and the Certificate of Eligibility)* — **201** +

Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From **5896** **202**
Applies to employment of eligible apprentices.
Eligible Credit from **5898** CT23 Schedule 114 *(Attach Schedule 114)* — **203** +

Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 — **220** = 7,705

Specified Tax Credits ***Applied to reduce Income Tax*** — **225** = 7,705

Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss *(amount cannot be negative)* — **230** = 38,046

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on **Page 17**.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8**.

Corporate Minimum Tax (CMT)

Total Assets of the corporation	**240** +	27,072,179		
Total Revenue of the corporation			**241** +	23,773,186

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

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

Total Assets of associated corporations *(Attach schedule)*	**243** +	1,378,108		
Total Revenue of associated corporations *(Attach schedule)*			**244** +	228,479
Aggregate Total Assets	**249** =	28,450,287		
Aggregate Total Revenue			**250** =	24,001,665

Determination of Applicability

Applies **if** ***either*** Total Assets **249** exceeds $5,000,000 ***or*** Total Revenue **250** exceeds $10,000,000.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101.**

Calculation: CMT *(Attach Schedule 101.)*

Gross CMT Payable - CMT Base From Schedule 101	**2136** 871,601 X	From **30** 100.0000 % X 4%	**276** =	34,864
	If negative, enter zero	Ontario Allocation		
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*			**277** -	
Subtract: Income Tax		From **190** -		45,751
Net CMT Payable (if negative, enter Nil on page 17.)			**280** =	

If **280** is less than zero and you do not have a CMT credit carryover, transfer **230** from **Page 7** to **Income Tax Summary, on Page 17**.

If **280** is less than zero and you have a CMT credit carryover, complete A & B below.

If **280** is greater than or equal to zero, transfer **230** to **Page 17** and transfer **280** to **Page 17, and** to **Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.**

CMT Credit Carryover available From Schedule 101 From **2333**

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)				From **190** +	45,751
	Gross CMT Payable	From **276** +	34,864			
	Subtract: Foreign Tax Credit for CMT purposes	From **277** -				
	If **276 - 277** is negative, enter NIL in **290**		=	34,864 ▶	**290** -	34,864
	Income Tax eligible for CMT Credit				**300** =	10,887
B.	Income Tax (after deduction of specified credits)				From **230** +	38,046
	Subtract: CMT credit used to reduce income taxes				**310** -	
	Income Tax				**320** =	38,046

Transfer to Page 17

If A & B apply, **310** ***cannot exceed the lesser of*** **230, 300** ***and your CMT credit carryover available*** **2333**.

If only B applies, **310** ***cannot exceed the lesser of*** **230** ***and your CMT credit carryover available 2333.***

Capital Tax *(Refer to Guide and Int.B. 3011R)*

If your corporation is a Financial Institution (s.58(2)), complete lines **480** *and* **430** *on page 10 then proceed to page 13.*

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in **480** *and* **430** *are both $3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* **550** *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.*

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation.

If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(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	+	10,852,444
Retained earnings (if deficit, deduct) (Int.B. 3012R)	351	±	1,143,874
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012R)	352	+	313,298
Loans and advances *(Attach schedule)*(Int.B. 3013R)	353	+	9,291,888
Bank loans (Int.B. 3013R)	354	+	
Bankers acceptances (Int.B. 3013R)	355	+	1,000,000
Bonds and debentures payable (Int.B. 3013R)	356	+	
Mortgages payable (Int.B. 3013R)	357	+	
Lien notes payable (Int.B. 3013R)	358	+	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	359	+	511,368
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	+	1,832,148
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)	362	+	19,312
Subtotal	370	=	24,964,332
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)	371	-	798,552
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	372	-	
Total Paid-up Capital	380	=	24,165,780
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381	-	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the *Corporations Tax Act*, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382	-	
Net Paid-up Capital	390	=	24,165,780

Eligible Investments *(Refer to Guide and Int.B. 3015R)*

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	402	+	
Mortgages due from other corporations	403	+	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	404	+	
Loans and advances to unrelated corporations	405	+	
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	406	+	996,000
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	407	+	581
Total Eligible Investments	410	=	996,581

continued on Page 10

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015R)

(excluding Income taxes recoverable)

Total Assets per balance sheet	420	+	27,072,179
Mortgages or other liabilities deducted from assets	421	+	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	422	+	
Subtract: Investment in partnership(s)/joint venture(s)	423	-	
Total Assets as adjusted	430	=	27,072,179
Amounts in **360** and **361** (if deducted from assets)	440	+	
Subtract: Amounts in **371**, **372** and **381**	441	-	798,552
Subtract: Appraisal surplus if booked	442	-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443	±	
Total Assets	450	=	26,273,627

Investment Allowance (410 ÷ 450) X 390 — **Not to exceed 410**	460	=	916,629
Taxable Capital 390 - 460	470	=	23,249,151

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	23,773,186		
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*			
Aggregate of Gross Revenue	23,773,186	480	23,773,186
Total Assets (as adjusted)	From	430	27,072,179

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

5,000,000	X	35 (Days before Jan. 1, 2005)	÷	73 (Total Days)	365	= 500 +	
7,500,000	X	36 (Days after Dec. 31, 2004 and before Jan.1, 2006)	365 ÷	73 (Total Days)	365	= 501 +	7,500,000
10,000,000	X	37 (Days after Dec. 31, 2005 and before Jan.1, 2007)	÷	73	365	= 502 +	
		Taxable Capital Deduction (TCD)		**500 + 501 + 502**		**503 =**	7,500,000

SECTION C

This section applies if the corporation is **not** a member of an associated group and/or partnership

C1. If **430** and **480** on page 10 are both $3,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.

C2. If Taxable Capital in **470** is **equal to or less than the TCD** in **503**, enter NIL in **550** on page 12 and complete the return from that point.

C3. If Taxable Capital in **470 exceeds the TCD** in **503**, complete the following calculation and transfer the amount from **523** to **543** on page 12, and complete the return from that point.

+ From **470** _____

- From **503** _____

= **471** _____ x From **30** 100.0000 (Ontario Allocation) x 0.3% x **555** _____ / 365 (Days in taxation year; 365 (366 if leap year) *If floating taxation year, refer to Guide.*) = **523** + _____ *Transfer to **543** on page 12 and complete the return from that point*

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either **509** or **524** and complete this section before you can calculate your Capital Tax calculation under either Section E or Section F.

D1. ☐ **509** (✓ if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.
If Taxable Capital **470** on page 10 is equal to or less than the TCD **503** on page 10, enter NIL in **550** on page 12 and complete the return from that point.

If Taxable Capital **470** on page 10 exceeds the TCD **503** on page 10, proceed to **Section E**, enter the TCD amount in **542** in Section E, and complete Section E and the return from that point.

D2. ☒ **524** (✓ if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do **not** complete this calculation if ss.69(2.1) election is filed

Taxable Capital form **470** on page 10	From **470** +	23,249,151

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

Taxable Capital of associated corporations *(Attach schedule)*	**531** +	336,995
Aggregate Taxable Capital **470 + 531**	**540** =	23,586,146

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** 23,249,151 ÷ From **540** 23,586,146 X From **503** 7,500,000 **541** = 7,392,841

*Transfer to **542** in Section E on page 12*

Ss.69(2.1) Election Filed

☐ **591** (✓ if applicable)

Election filed. *Attach a copy of Schedule 591 with this CT23 Return.*
Proceed to **Section F** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation **is** a member of an associated group and/or partnership whose total **aggregate** Taxable Capital **540** on page 11 exceeds the TCD **503** on page 10.

Complete the following calculation and transfer the amount from **523** to **543**, and complete the return from that point.

+ From	**470**	23,249,151									
-	**542**	7,392,841									
=	**471**	15,856,310	x	From	**30**	100.0000 %	x 0.3%	x	**555** 365	= **523** +	47,569
						Ontario Allocation			Days in the taxation year *365 (366 if leap year)		Total Capital Tax for the taxation year

*Transfer to **543** and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From **470** _____ X From **30** 100.0000 x 0.3% = **561** + _____
Ontario Allocation

- Capital tax deduction from **995** relating to **your corporation's** Capital Tax deduction, on Schedule 591 From **995** _____
562 = _____

Capital Tax _____ **562** _____ X **555** 365 = **563** + _____
Days in taxation year
*365 (366 if leap year)

*Transfer to **543** and complete the return from that point*

* *If floating taxation year, refer to Guide*

Capital Tax before application of specified credits	**543** =	47,569
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	**546** -	
Capital Tax 543 - 546 *(amount cannot be negative)*	**550** =	47,569

Transfer to Page 17

continued on Page 13

Calculation of Capital Tax for Financial Institutions

1.1. Credit Unions Only

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.

1.2 Other than Credit Unions

*(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)*

565 _____ x 0.6% x From **30** _____ % x **555** _____ ÷ *365 = **569** + _____
Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year (366 if leap year)

570 _____ x **571** _____ x From **30** _____ % x **555** _____ ÷ *365 = **574** + _____
Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year (366 if leap year)

Capital Tax for Financial Institutions - other than Credit Unions (before Section 2) 569 + 574 **575** =

** If floating taxation year, refer to Guide.*

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments **585** =

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (✓) ☐ 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

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**	±	514,397
			Transfer to Page 15

Add:

Federal capital cost allowance	**601**	+	1,030,115
Federal cumulative eligible capital deduction	**602**	+	34,379
Ontario taxable capital gain	**603**	+	
Federal non-allowable reserves. Balance beginning of year	**604**	+	65,000
Federal allowable reserves. Balance end of year	**605**	+	798,552
Ontario non-allowable reserves. Balance end of year	**606**	+	
Ontario allowable reserves. Balance beginning of year	**607**	+	43,357
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	**608**	+	
Federal resource allowance *(Refer to Guide)*	**609**	+	
Federal depletion allowance	**610**	+	
Federal foreign exploration and development expenses	**611**	+	
Crown charges, royalties, rentals, etc. deducted for Federal purposes *(Refer to Guide)*	**617**	+	
Management fees, rents, royalties and similar payments to non-arms' length non-residents			

Number of Days in Taxation Year

		Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days				
612		X 5/12.5 X **33**		÷ **73**	365	= **633**	+	
		Days after Dec. 31, 2003		Total Days				
612		X 5/14.0 X **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		=	1,971,403	**640**	1,971,403
					Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under **675**)	**650**	+	1,030,115
Ontario cumulative eligible capital deduction	**651**	+	34,379
Federal taxable capital gain	**652**	+	
Ontario non-allowable reserves. Balance beginning of year	**653**	+	65,000
Ontario allowable reserves. Balance end of year	**654**	+	798,552
Federal non-allowable reserves. Balance end of year	**655**	+	
Federal allowable reserves. Balance beginning of year	**656**	+	43,357
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**		1,971,403
			Transfer to Page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net income (loss) for federal income tax purposes, per federal Schedule 1	From **600** ±	514,397
Total of Additions on page 14	From **640** =	1,971,403
Sub Total of deductions on page 14	From **681** =	1,971,403

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:

From **662** _____ (Gross-up of CCA) x 100/ **30** 100.0000 (Ontario Allocation) - From **662** _____ **663** =

Workplace Child Care Tax Incentive (WCCT)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: **665** _____ x 30% x 100/ **30** 100.0000 (Ontario Allocation) **666** =

Workplace Accessibility Tax Incentive (WATI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: **667** _____ x 100% x 100/ **30** 100.0000 (Ontario Allocation) **668** =

Number of Employees accommodated **669**

Ontario School Bus Safety Tax Incentive (OSBSTI)
(***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures **670** _____ x 30% x 100/ **30** 100.0000 (Ontario Allocation) **671** =

Educational Technology Tax Incentive (ETTI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures **672** _____ x 15% x 100/ **30** 100.0000 (Ontario Allocation) **673** =

Ontario allowable business investment loss	**678** +	
Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161	**679** +	
Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003)	**677** +	
Total of other deductions allowed by Ontario *(Attach schedule)*	**664** +	
Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664	= 1,971,403 **680**	1,971,403

Net income (loss) for Ontario Purposes **600 + 640 - 680** **690** = 514,397

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	**700** (2)	**710** (2)	**720** (2)	**730**	**740**	**750**
Add: Current year's losses (7)	**701**	**711**	**721**	**731**	**741**	**751**
Losses from predecessor corporations (3)	**702**	**712**	**722**	**732**		**752**
Subtotal	**703**	**713**	**723**	**733**	**743**	**753**
Subtract: Utilized during the year to reduce taxable income	**704** (2)	**715** (2)(4)	**724** (2)	**734** (2)(4)	**744** (4)	**754** (4)
Expired during the year	**705**		**725**	**735**	**745**	
Carried back to prior years to reduce taxable income (5)	**706** (2) To Pg 17	**716** (2) To Pg 17	**726** (2) To Pg 17	**736** (2) To Pg 17	**746**	
Subtotal	**707**	**717**	**727**	**737**	**747**	**757**
Balance at End of Year	**709** (8)	**719**	**729**	**739**	**749**	**759**

Analysis of Balance by Year of Origin

Year of Origin (oldest year first)	Non Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceeding taxation year	**817** (6)	**860** (6)		**850**	**870**
801 8th preceeding taxation year	**818** (6)	**861** (6)		**851**	**871**
802 7th preceeding taxation year	**819** (6)	**862** (6)		**852**	**872**
803 6th preceeding taxation year	**820**	**830**	**840**	**853**	**873**
804 5th preceeding taxation year 2000/12/31	**821**	**831**	**841**	**854**	**874**
805 4th preceeding taxation year 2001/12/31	**822**	**832**	**842**	**855**	**875**
806 3rd preceeding taxation year 2002/12/31	**823**	**833**	**843**	**856**	**876**
807 2nd preceeding taxation year 2003/12/31	**824**	**834**	**844**	**857**	**877**
808 1st preceeding taxation year 2004/12/31	**825**	**835**	**845**	**858**	**878**
809 Current taxation year 2005/12/31	**826**	**836**	**846**	**859**	**879**
Total	**829**	**839**	**849**	**869**	**889**

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.

(3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amounts from **11** if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in **709** must equal total of **829** + **839**.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister of Finance**.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses			Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income.	**Predecessor Corporation's Account No. (MOF)**	**Taxation Year Ending**				
i) 3rd preceding	901	2002/12/31	911	921	931	941
ii) 2nd preceding	902	2003/12/31	912	922	932	942
iii) 1st preceding	903	2004/12/31	913	923	933	943
Total loss to be carried back			From **706**	From **716**	From **726**	From **736**
Balance of loss available for carry-forward			919	929	939	949

Summary

Income Tax	From **230** or	**320** +	88,046
Corporate Minimum Tax	From	**280** +	
Capital Tax	From	**550** +	47,569
Premium Tax	From	**590** +	
Total Tax Payable		**950** =	85,615
Subtract: Payments		**960** -	451,064
Capital Gains Refund (s.48)		**965** -	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*		**985**	
Specified Tax Credits *(Refer to Guide)*		**955** -	
Balance		**970** =	(365,449)
If payment due	Enclosed *	**990**	
If overpayment: Refund *(Refer to Guide)*		**975** =	365,449
Apply to		**980**	
			(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the cheque or money order. *(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
LAURIE ANN COOLEDGE

Title
Treasurer

Full Residence Address

City

Province	Country	Postal Code

Signature	Date
	2006/05/11

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Ontario

Ministry of Finance

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

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2005/12/31

Part 1: Calculation of CMT Base

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.
Life Insurance corporations - Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net income/(loss) (unconsolidated, determined in accordance with GAAP)			2100 ±	712,601
Subtract (to the extent reflected in net income/loss):				
Provision for recovery of income taxes / benefit of current income taxes	2101 +			
Provision for deferred income taxes (credits) / benefit of future income taxes	2102 +			
Equity income from corporations	2103 +			
Share of partnership(s)/joint venture(s) income	2104 +			
Dividends received/receivable deductible under fed.s.112	2105 +			
Dividends received/receivable deductible under fed.s.113	2106 +			
Dividends received/receivable deductible under fed.s.83(2)	2107 +			
Dividends received/receivable deductible under fed.s.138(6)	2108 +			
Federal Part VI.1 tax on dividends declared and paid, under fed.s.191.1(1) x 3 =	2109 +			
Subtotal	=		▶ 2110 -	
Add (to extent reflected in net income/loss):				
Provision for current taxes / cost of current income taxes	2111 +	159,000		
Provision for deferred income taxes (debits) / cost of future income taxes	2112 +			
Equity losses from corporations	2113 +			
Share of partnership(s)/joint venture(s) losses	2114 +			
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	2115 +			
Subtotal	=	159,000	▶ 2116 +	159,000

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

Fed.s.85	2117 +		or 2118 -	
Fed.s.85.1	2119 +		or 2120 -	
Fed.s.97	2121 +		or 2122 -	
Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	2123 +		or 2124 -	
Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	2125 +		or 2126 -	
Amounts relating to s.57.10 election/ regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	2127 +		or 2128 -	
Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income			2150 -	

Subtotal (Additions)	=	▶	2129 +	
Subtotal (Subtractions)		=	▶ 2130 -	
Other adjustments			2131 ±	
Subtotal ± 2100 - 2110 + 2116 + 2129 - 2130 ± 2131			2132 =	871,601
Share of partnership(s)/joint venture(s) **adjusted** net income/loss			2133 ±	
Adjusted net income (loss) (if loss, transfer to **2202** in ***Part 2: Continuity of CMT Losses Carried Forward.***)			2134 =	871,601
Deduct: CMT losses: pre-1994 Loss	From 2210 +			
CMT losses: other eligible losses	2211 +			
	=		▶ 2135 -	
CMT Base			2136 =	871,601

Transfer to CMT Base on page 8 of the CT23 or Page 6 of the CT8

Corporate Minimum Tax (CMT)

Part 2: Continuity of CMT Losses Carried Forward

CMT loss continuity by year

Year of origin	Beginning balance	Transfers on amalgamation	Transfers on wind-up	Adjustments	Current year loss	Applied	Ending balance
							Expired
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
2005/12/31							
Totals							

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 (✓) **2205** ☐ Yes Wind-up (✓) **2206** ☐ Yes

Subtotal = ▶ **2207** +

Adjustments (attach schedule) **2208** ±

CMT losses available 2201 + 2207 ± 2208 **2209** =

Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income **2210** +

Other eligible losses utilized during the year to reduce adjusted net income Note (4) **2211** +

Losses expired during the year **2212** +

Subtotal = ▶ **2213** -

Balances at End of Year Note (5) **2209 - 2213** **2214** =

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisitions 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 **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)	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	**2260**	**2280**
2241	**2261**	**2281**
2242	**2262**	**2282**
2243	**2263**	**2283**
2244 2000/12/31	**2264**	**2284**
2245 2001/12/31	**2265**	**2285**
2246 2002/12/31	**2266**	**2286**
2247 2003/12/31	**2267**	**2287**
2248 2004/12/31	**2268**	**2288**
2249 2005/12/31	**2269**	**2289**
Totals	**2270**	**2290**

The sum of amounts 2270 + 2290 must equal amount in 2214.

Corporate Minimum Tax (CMT)

Part 4: Continuity of CMT Credit Carryovers

CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
2005/12/31							
Totals							

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 (✓) **2315** ☐ Yes Wind-up (✓) **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** -

Balance at End of Year Note (4) **2333 - 2335** **2336** =

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).

(3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(4) Amount in **2336** must equal the sum of **2370** + **2390**.

Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	2360	2380
2341	2361	2281
2342	2362	2382
2343	2363	2383
2344	2364	2384
2345 2001/12/31	2365	2385
2346 2002/12/31	2366	2386
2347 2003/12/31	2367	2387
2348 2004/12/31	2368	2388
2349 2005/12/31	2369	2389
Totals	2370	2390

The sum of amounts 2370 + 2390 must equal the amount in 2336.

Ontario

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

Ontario Charitable Donations and Gifts
Schedule 2

Corporation's Legal Name	Ontario Corporations Tax Account No.	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	(MOF) 1800117	2005/12/31

- **For use by a corporation to claim any of the following:**
  - **Charitable donations;**
  - **Gifts to Her Majesty in right of Ontario, to Ontario crown agencies, or to Ontario Crown foundations;**
  - **Gifts to Canada or a province;**
  - **Gifts of certified cultural property; or**
  - **Gifts of certified ecologically sensitive land.**
- **The donations and gifts are eligible for a five year carry-forward.**
- **Use this schedule to show a credit transfer following an amalgamation or wind-up of subsidiary as described under subsection 87(1) and 88(1) of the federal *Income Tax Act* (Canada).**
- **File one completed copy of this schedule with your CT23.**

Part 1 - Charitable Donations

Charitable Donations at end of preceding taxation year				+		A
Deduct: Donations expired after 5 taxation years				-		B
Charitable donations at beginning of taxation year				=		C
Add: Donations transferred on amalgamation or wind-up of subsidiary	+		D			
Total current year charitable donations made	+	930	E			
Subtotal D + E	=	930	▶		930	F
Total donations available **C + F**				= +	930	G
Deduct: Amount applied against taxable income (amount **T**)				-	930	T
Charitable donations closing balance				=		H

Part 2 - Maximum Deduction Calculation for Donations

Ontario net income for tax purposes multiplied by 75%				=	385,798	I

Note: *For credit unions the Ontario net income for tax purposes is the amount before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.*

Ontario taxable capital gains arising in respect of gifts of capital property	+		J			
Ontario taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) ITA	+		K			
Add the lesser of:						
1. The amount of the recapture of capital cost allowance in respect of charitable gifts	+		L			
2. **The lesser of:**						
2a. Proceeds of dispositions less outlays and expenses			M			
2b. The capital cost			N			
The lessor of **M** and **N**		▶	O			
The lessor of **L** and **O**		▶	+		P	
Subtotal J + K + P			=		Q	
25 % x **Q**				=		R
Maximum deduction allowable I + R				=	385,798	S

Claim for charitable donations (not exceeding the lesser of **G** from Part 1, **S** and net income for tax puposes) 930 T

*Enter in **1** of the CT23*

Corporation's Legal Name	Ontario Corporations Tax Account No.	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	(MOF) 1800117	2005/12/31

Part 3 - Gifts to Her Majesty in right of Ontario

For use by a corporation claiming gifts to Her Majesty in right of Ontario, to Ontario Crown Agencies, or to Ontario Crown Foundations.

Gifts to Ontario Crown Agency or Ontario Foundation at end of the preceding taxation year	+	
Deduct: Gifts expired after 5 years	-	
Gifts to Ontario Crown Agency or Ontario Crown Foundation at the beginning of the taxation year	=	
Add: Gifts transferred on amalgamation or wind-up of a subsidiary	+	
Total current year gifts	+	
Subtotal	=	
Deduct: Amount applied against taxable income **2** of the CT23	-	
Gifts to Ontario Crown Agency or Ontario Crown Foundation closing balance	=	

Foundation Name	Date of Donation	Amount $
Total gifts to Her Majesty in right of Ontario		

Part 4 - Maximum Deduction Calculation for Gifts to Her Majesty in right of Ontario

Deduction is the lesser of:

1. Ontario Net Income before deductions of gifts after deducting charitable donations and gifts to Her Majesty in right of Canada or a province other than Ontario			513,467 **U**
2. **Lesser of:**			
2a. Ontario Net Income for the taxation year	514,397 **V**		
2b. Gifts made in the taxation year or any of the five preceding taxation years to Her Majesty in Right of Ontario, an Ontario Crown Agency or an Ontario Crown Foundation		**W**	
The lesser of **V** and **W**		▶	**X**
Maximum deduction allowable the lesser of **U** and **X**			**Y**

*Transfer to **2** of the CT23*

Part 5 - Gifts to Canada or a province other than Ontario

Gifts to Canada or a province other than Ontario at the end of the preceding year	+	
Deduct: Gifts to Canada or a province other than Ontario expired after five taxation years	-	
Gifts to Canada or a province other than Ontario at the beginning of the taxation year	=	
Add: Gifts to Canada or a province other than Ontario transferred on amalgamation or wind-up of a subsidiary	+	
Total current year gifts to Canada or a province other than Ontario *(Not applicable for gifts made after February 18, 1997 unless a written agreement was made before this date.)*	+	
Subtotal	=	
Deduct: Amount applied against taxable income	-	
Gifts to Canada or a province other than Ontario closing balance	=	

Part 6 - Gifts of certified cultural property

Gifts of certified cultural property at the end of the preceding taxation year	+	
Deduct: Gifts of certified cultural property expired after five years	-	
Gifts of certified cultural property at the beginning of the taxation year	=	
Add: Gifts of certified cultural property transferred on amalgamation or wind-up of a subsidiary	+	
Total current year gifts of certified cultural property	+	
Subtotal	=	
Deduct: Amount applied against taxable income	-	
Gifts of certified cultural property closing balance	=	

Part 7 - Gifts of certified ecologically sensitive land

Gifts of certified ecologically sensitive land at the end of the preceding taxation year	+	
Deduct: Gifts of certified ecologically sensitive land expired after five years	-	
Gifts of certified ecologically sensitive land at the beginning of the taxation year	=	
Add: Gifts of certified ecologically sensitive land transferred on amalgamation or wind-up of a subsidiary	+	
Total current year gifts of certified ecologically sensitive land	+	
Subtotal	=	
Deduct: Amount applied against taxable income	-	
Gifts of certified ecologically sensitive land closing balance	=	

Part 8 - Analysis of balance by year of origin

Year of origin	Charitable donations	Gifts to Her Majesty in right of Ontario	Gifts to Canada or a province other than Ontario	Gifts of certified cultural property	Gifts of certified ecologically sensitive land
Totals					

OS7
Schedule 7

Ontario aggregate investment income

Aggregate and foreign investment income tax calculation

	Foreign investment income	Aggregate investment income	
The eligible portion of taxable capital gains included in income for the year			A
Eligible portion of allowable capital losses for the year (including allowable business investment loss)			B
Net capital losses claimed at line 125 on page 3 of the T2 return			C
Total of amounts B and C			D
Amount A minus amount D (if negative, enter nil)	<NIL>	<NIL>	E
Taxable dividends deductible from T2S(3)			
Other property income (include income from a specified investment business carried on in Canada other than income from a source outside Canada)		44,561	
Total income from property		44,561	F
Exempt income			G
Amounts received from NISA Fund No. 2 that was included in computing the corporation's income for the year			H
Taxable dividends deductible from T2S(3)			
Minus: related expenses			
Taxable dividends deductible from T2S(3) after deducting related expenses *			I
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) of the *Income Tax Act*			J
Total of amounts G, H, I, and J			K
Amount F minus amount K		44,561	L
Total of amount E plus amount L		44,561	M
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)			N
Amount M minus amount N (if negative, enter nil)	R <NIL>	S 44,561	

* If negative, enter amount in brackets, and add instead of subtract.

Part 2 - Specified partnership income

A			B	C
Partnership name	Start of fiscal period	End of fiscal period	Total income (loss) from active business	Corporation's share of amount in column B

D	E	F	G	H	I
Adjustments (add reserves deducted under ss.34.2(5) and deduct expenses)	Corporation's income (loss) of the partnership (column C plus column D)	# of days in the partnership's fiscal period	Prorated business limit (column C ÷ column B) x [business limit* x (column F ÷ 365)]**	Column E **minus** column G (if negative, enter "0")	Lesser of columns E and G (if negative, enter "0")
Total		Total			

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) - enter as a positive amount _____ 1

Specified partnership loss of the corporation for the year - enter as a positive amount (total of all negative amounts in column E) _____ 2

Totals of line 1 and 2 _____ ▶ _____ J

Total of column H or line J, whichever is less

Specified partnership income _____ K

* Use $200,000 for days in fiscal periods prior to October 1, 2001.
Use $280,000 for days in fiscal periods after September 30, 2001 but before January 1, 2003.
Use $320,000 for days in fiscal periods after December 31, 2002 but before January 1, 2004.
Use $400,000 for days in fiscal periods after December 31, 2003.

** When a partnership carries on more than one business, one of which generates income and another realizes a loss, the partnership loss is not netted against the partnership's income.

OS7
Schedule 7

Ontario aggregate investment income

Part 3 - Determination of partnership income for Ontario puposes

Corporation's share of partnership income from active businesses carried on in Canada for Ontario puposes after deducting related expenses - from column E above (if the net amount is negative, enter "0" on line P)			L
Add: Specified partnership loss (from line 2 above)			M
	Subtotal		N
Deduct: Specified partnership income (from line K above)			O
Partnership income (enter on line T below)			P

Part 4 - Income from active businesses carried on in Canada

Net income for income tax purposes			514,397	Q
Deduct: Foreign business income after deducting related expenses *				
Taxable capital gains **minus** allowable capital loss ** (amount A **minus** amount B in part 1)				
Net property income = amount F **minus** amounts G, H and N * (part 1)	44,561	R		
Personal services business income after deducting related expenses *				
	44,561		44,561	
	Net amount		469,836	S
Deduct Partnership income (line P above)				T
Income from active business carried on in Canada for Ontario puposes (enter on line 50 of the CT23 return - if negative, enter "0")			469,836	U

* If negative, enter amount in brackets, and add instead of subtract.
** This amount may only be negative to the extent of any allowable business investment losses.

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
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Ontario Capital Cost Allowance
Schedule 8

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2005/12/31

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

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	18,581,623	1,043,885	(294,138)		19,331,370	521,943	18,809,427	4			752,377	18,578,993
8	649,341	62,282			711,623	31,141	680,482	20			136,096	575,527
10	137,682	69,628		2,504	204,806	33,562	171,244	30			51,373	153,433
12	5,496	102,254			107,750	51,127	56,623	100			56,623	51,127
45	64,399	20,739			85,138	10,370	74,768	45			33,646	51,492
Totals	19,438,541	1,298,788	(294,138)	2,504		648,143	19,792,544				1,030,115	19,410,572

Enter in box **650** on the CT23

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Ontario

Ministry of Finance
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Oshawa ON L1H 8E9

Ontario Cumulative Eligible Capital Deduction
Schedule 10

Corporation's Legal Name	Ontario Corporations Tax Account No.	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	(MOF) 1800117	2005/12/31

- **For use by a corporation that has eligible capital property.**
- **A separate cumulative eligible capital account must be kept for each business.**

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at beginning of taxation year *(if negative, enter zero)*				491,129	A
Add: Cost of eligible capital property acquired during the taxation year	+		B		
Amount transferred on amalgamation or wind-up of subsidiary	+		C		
Other adjustments	+		D		
Total of B + C + D	=		x 3/4=		E
Subtotal A + E			=	491,129	F
Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	+		G		
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada)	+		H		
Other adjustments	+		I		
Total of G + H + I	=		x 3/4=		J
Ontario cumulative eligible capital balance F - J			=	491,129	K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 491,129 K x 7%* = 34,379 L

The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.* *Enter amount in box **651 of the CT23*

Ontario cumulative eligible capital - closing balance K - L *(if negative, enter zero)* = 456,750 M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

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

Complete this part only if the amount at line K is negative

Amount from line K above *show as a positive amount*				N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988		1		
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)		2		
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	3			
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	4			
Line **3** deduct line **4**		5		
Total lines **1 + 2 + 5**		6		
Line **T** from previous Ontario Schedule 10 for taxation years ending after February 27, 2000		7		
Deduct line **7** from line **6**				O
N - O *(cannot be negative)*				P
Amount on line **5** x 1/2				Q
P - Q				R
Amount on line **R** x 66.6667				S
Lesser of line **N** or line **O**				T
Amount to be included in income S + T				

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

Ontario

Ministry of Finance

Corporations Tax Branch
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Oshawa ON L1H 8E9

Ontario Continuity of Reserves
Schedule 13

Corporation's Legal Name	Ontario Corporations Tax Account No.	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	(MOF) 1800117	2005/12/31

For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes

Part 1 - Capital gains reserves

Description of property	Ontario balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Ontario balance at the end of the year
Totals	A	B	C

The total capital gains reserve at the beginning of the taxation year **A** plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary **B**, should be entered on Schedule 6; and the total capital gains reserve at the end of the taxation year **C**, should also be entered on Schedule 6.

Part 2 - Other reserves

Description	Ontario balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Ontario balance at the end of the year
Reserve for doubtful debts			
Reserve for undelivered goods and services not rendered			
Reserve for prepaid rent			
Reserve for December 31, 1995 income			
Reserve for refundable containers			
Reserve for unpaid amounts			
Other tax reserves	43,357		798,552
Totals	D 43,357	E	F 798,552

The amount from **D** plus the amount from **E** should be entered in **607** of the CT23.

The amount from **F** should be entered in **654** of the CT23.

Part 3 - Continuity of non-deductible reserves

Reserve	Ontario opening balance and transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
S. Mayor Hope Settlement Accrual	65,000				
Totals	65,000				
	*Enter in box **653** of the CT23*				*Enter in box **606** of the CT23*

Ontario

Ministry of Finance

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

Cooperative Education Tax Credit (CETC)
CT23 Schedule 113

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2005/12/31

Instructions for completing the CETC Claim Form

- Enter the relevant details for each qualifying work placement, including the amount of tax credit.
- Your total tax credit for the taxation year is equal to the sum of the tax credits for each qualifying work placement.
- Enter the total tax credit claimed on line **192**, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
  - The maximum amount of credit that can be claimed in respect of each work placement is $1,000.
- Ensure you have the following documentation (Do not include with the form or tax return.):
  - a letter of certification from the Ontario college, university other post-secondary institution, containing information as specified by the Minister, stating that the student is enrolled in a qualifying education program; or
  - a voucher for leading-edge technology programs, other than an apprenticeship, stating that the educational program meets the definition of a qualifying program in leading-edge technology and that the work performed by that student during the work placement is in a related field.
- The credit is **considered government assistance** and is therefore **to be included in income** in the year the credit is claimed.

Summary of Co-operative Education Tax Credit Claimed

Complete a separate entry for each student work placement which ended during the corporation's taxation year. The tax credit is for co-op work placements and leading-edge technology work placements. A work placement is generally considered to be a full-time work assignment for up to 4 months in duration.

Example: If a corporation, with a December 31, 2001 taxation year end, hires an eligible student from September 1, 2001 until April 30, 2002, this would be considered 2 work placements. The first work placement is September 1, 2001 to December 31, 2001 and would be claimed in the 2001 taxation year. The second placement is January 1, 2002 to April 30, 2002 and must be claimed in the 2002 taxation year.

Qualifying Work Placements

Name of University / College and Education Program	Name of Student	SIN of Student	Work Placement Start and End Dates	Eligible Costs of Placement (ECP)	*Credit Claimed (See notes below) (max $1,000 per work placement)
University/College Georgian College Name of program Business	Maureen Sheehan	497 062 976	From 2004/01/01 To 2004/04/30	11,360	1,000
University/College Georgian College Name of program Business	Michael Steele	504 569 419	From 2004/05/01 To 2004/08/31	10,266	1,000
University/College Georgian College Name of program Business	Jeane Tomei	483 712 493	From 2004/09/01 To 2004/12/31	8,313	831
University/College Georgian College Name of program Business	Maureen Sheehan	497 062 976	From 2005/01/01 To 2005/04/30	12,219	1,000
University/College Georgian College Name of program Electrical Engineering	Brent Hughes	518 163 514	From 2005/05/01 To 2005/08/31	9,965	997

Cooperative Education Tax Credit (CETC)

Name of University / College and Education Program	Name of Student	SIN of Student	Work Placement Start and End Dates	Eligible Costs of Placement (ECP)	*Credit Claimed (See notes below) (max $1,000 per work placement)
University/College Georgian College Name of program Business	Jeane Tomei	483 712 493	From 2005/09/01 To 2005/12/31	14,617	1,000
University/College Georgian College Name of program Information Technology	Ryan Jeffrey	510 905 839	From 2005/01/01 To 2005/04/30	8,798	880
University/College Georgian College Name of program Business	Brittney Durston	533 377 586	From 2005/04/25 To 2005/09/02	9,965	997
University/College Name of program			From yyyy/mm/dd To yyyy/mm/dd	0	0
			Totals	**5774** 85,503	**5798** 7,705

*Transfer to **192** on Page 7 of the CT23 Long or Page 4 of the CT23 Short, or Page 4 of the CT8*

Note: Enter corporation's salaries & wages paid in the preceding taxation year **A** 1,083,683

If **A** is $600,000 or greater use 10%. If **A** is $400,000 or less use 15%.

If **A** is over $400,000 but less than $600,000 use the following formula to calculate the rate:

Rate: = .15 - [.05 (From **A** 0 - $400,000) ÷ $200,000]

Indicate rate used: 10.0000 %. * **Credit claimed equals ECP multiplied by rate.**

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

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2005/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
Innisfil Energy Services Limited	1800333	2005/12/31	55,070
Town of Innisfil		2004/12/31	
		Total	55,070

*Transfer to **85** on the CT23*

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2005/12/31

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
Innisfil Energy Services Limited	1800333	2005/12/31	336,995
Town of Innisfil		2004/12/31	
		Aggregate of taxable capital	336,995

Transfer to **540** of the CT23

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2005/12/31

Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation year end for 120 days or more and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)	
Customer Deposits	544,444
Due to Town of Innisfil	8,747,444
Total	9,291,888

*Transfer to **353** on the CT23*

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

Paid-Up Capital: Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2005/12/31

Name of Partnership or Joint Venture	Share of Partnership Using Profit Sharing Ratio (%)	Partnership/Joint Venture Paid-up Capital	Corporation's Share of Partnership/Joint Venture Paid-up Capital
Enerconnect	1.2312	1,568,575	19,312
		Total	19,312

*Transfer to **362** on the CT23*

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

Eligible Investments - Partnerships/Joint Ventures

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2005/12/31

Name of Partnership or Joint Venture	Share of Partnership Using Profit Sharing Ratio (%)	Partnership/Joint Venture Investments	Corporation's Share of Partnership/Joint Venture Investments
Enerconnect	1.2312	47,223	581
		Total	581

*Transfer to **407** on the CT23*

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

Corporate Minimum Tax - Associated Corporation

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED	1800117	2005/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Innisfil Energy Services Limited	1800333	2005/12/31	1,378,108	228,479
Town of Innisfil		2004/12/31		
		Totals	1,378,108	228,479
			*Transfer to **249** of the CT23*	*Transfer to **250** of the CT23*

2005 Rate Year

Effective Date	Mar 1, 2005 (billing starting April 1, 2005)
Conclusion Date	Apr 30, 2006 (billing ending May 31, 2006)

	Approved Rates		PILS Portion	
Rate Class	**Fixed**	**Variable**	**Fixed**	**Variable**
Residential	16.41	0.0174	-	0.0047
General Service<50 kW	31.51	0.0147	-	0.0036
General Service>50 kW	304.51	4.1722	-	0.7549
Sentinel Lights	1.09	7.0366	-	1.5435
Street Lights	0.57	5.3984	-	1.3262

Customer Counts	2005									2006				
Rate Class	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Residential	12,711	12,721	12,748	12,763	12,791	12,796	12,802	12,811	12,821	12,828	12,835	12,843	12,856	12,861
*General Service<50 kW	894	898	907	906	910	904	901	889	890	894	893	894	897	891
General Service>50 kW	73	72	72	73	73	77	80	82	82	73	81	80	80	80
Sentinel Lights	189	189	189	189	189	189	189	189	189	189	189	189	189	189
Street Lights	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371

Billing Determinants	2005									2006				
Rate Class	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Residential	14,695,046	11,787,209	9,978,180	11,140,234	13,290,211	11,452,136	9,613,844	9,808,437	11,615,689	#########	#########	#########	#########	#########
*General Service<50 kW	2,377,445	2,482,321	2,138,421	2,449,764	2,647,759	2,205,986	2,152,365	1,930,998	2,117,050	2,472,356	2,490,759	2,298,093	2,108,802	1,972,373
General Service>50 kW	8,836	12,727	8,511	10,113	9,210	10,274	10,678	7,305	9,730	9,727	9,590	9,463	9,467	9,531
Sentinel Lights	31	33	30	30	30	30	30	30	30	31	31	31	31	31
Street Lights	323	323	331	331	331	331	331	331	332	331	331	331	331	333

Calculated PILS Revenue	2005									2006				
Rate Class	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Residential	69,067	55,400	46,897	52,359	62,464	53,825	45,185	46,100	54,594	76,290	74,294	73,421	62,372	52,069
*General Service<50 kW	8,559	8,936	7,698	8,819	9,532	7,942	7,749	6,952	7,621	8,900	8,967	8,273	7,592	7,101
General Service>50 kW	6,670	9,608	6,425	7,634	6,953	7,756	8,061	5,515	7,345	7,343	7,239	7,144	7,147	7,195
Sentinel Lights	47	51	46	46	46	46	46	46	46	48	48	48	48	48
Street Lights	428	428	439	439	439	439	439	439	440	439	439	439	439	442
Total	84,771	74,423	61,506	69,298	79,434	70,008	61,480	59,051	70,047	93,020	90,987	89,324	77,598	66,854
									630,018					417,783

*Unmetered Loads included in GS<50

4,429,990

Financial Statements of

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

December 31, 2001

Deloitte & Touche LLP
5140 Yonge Street, Suite 1700
Toronto, ON M2N 6L7
Canada

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Deloitte
& Touche

Auditors' Report

To the Shareholder of
Innisfil Hydro Distribution Systems Limited

We have audited the balance sheet of Innisfil Hydro Distribution Systems Limited as at December 31, 2001 and the statements of operations and deficit and of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
March 22, 2002

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED
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December 31, 2001

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INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED
Balance Sheet
December 31, 2001

	2001	2000 Restated (Notes 2 and 15)
ASSETS		
CURRENT		
Cash	$ 2,317,636	$ 2,201,322
Accounts receivable	1,509,225	1,544,404
Unbilled revenue	1,048,500	1,029,801
Inventory	198,172	225,067
Prepaid expenses	57,525	66,824
Note receivable from related party (Note 3)	665,200	-
	5,796,258	5,067,418
CAPITAL ASSETS (Note 4)	18,450,642	19,097,520
DEVELOPMENT CHARGE DEPOSITS (Note 5)	770,935	740,734
DEFERRED CHARGES (Note 6)	206,960	170,438
	$ 25,224,795	$ 25,076,110
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 2,161,164	$ 2,541,372
Current portion of long-term debt (Note 8)	300,000	273,000
Other current liabilities	237,258	314,916
	2,698,422	3,129,288
LONG-TERM DEBT (Note 8)	10,879,444	10,579,444
DEVELOPMENT CHARGE DEPOSITS (Note 5)	770,935	740,734
CUSTOMER DEPOSITS	151,068	76,340
	14,499,869	14,525,806
EQUITY		
SHARE CAPITAL (Note 9)	10,852,444	10,852,444
DEFICIT	(127,518)	(302,140)
	10,724,926	10,550,304
	$ 25,224,795	$ 25,076,110

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED
Statement of Operations and Deficit
Year ended December 31, 2001

	2001 (12 months)	2000 (2 months) Restated (Notes 2 and 15)
SERVICE REVENUE	$ 17,851,573	$ 3,299,251
COST OF POWER	13,961,517	2,994,019
GROSS MARGIN	3,890,056	305,232
OTHER REVENUE (Note 10)	995,552	135,704
EXPENSES		
Operating	2,308,000	310,683
Amortization	1,437,412	225,168
Interest	955,914	160,396
	4,701,326	696,247
INCOME (LOSS) BEFORE INCORPORATION AND ORGANIZATION COSTS	184,282	(255,311)
INCORPORATION AND ORGANIZATIONAL COSTS	-	(46,829)
INCOME (LOSS) BEFORE INCOME TAXES	184,282	(302,140)
INCOME TAX EXPENSES (Note 11)	9,660	-
NET INCOME (LOSS)	174,622	(302,140)
DEFICIT, BEGINNING OF PERIOD	(302,140)	-
DEFICIT, END OF PERIOD	$ (127,518)	$ (302,140)

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED
Statement of Cash Flows
Year ended December 31, 2001

	2001 (12 months)	2000 (2 months) Restated (Notes 2 and 15)
NET INFLOW (OUTFLOW) OF CASH RELATED TO FOLLOWING ACTIVITIES		
OPERATING		
Net income/(loss)	$ 174,622	$ (302,140)
Items not affecting cash		
Amortization	1,437,412	233,526
	1,612,034	(68,614)
Long-term customer deposits	74,728	76,340
Net change in non-cash working capital balances	(405,192)	(9,804)
	1,281,570	(2,078)
INVESTING		
Expenditures on capital assets	(1,566,877)	(19,327,418)
Deferred charges	(36,522)	(174,070)
	(1,603,399)	(19,501,488)
FINANCING		
Bank loan	600,000	-
Net proceeds from long-term debt	-	10,852,444
Capital contributions	776,343	-
Proceeds from issue of capital stock	-	10,852,444
Long term debt repayments	(273,000)	-
Loan to related party	(665,200)	-
	438,143	21,704,888
NET CASH INFLOW	116,314	2,201,322
CASH, BEGINNING OF PERIOD	2,201,322	-
CASH, END OF PERIOD	$ 2,317,636	$ 2,201,322
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	$ 874,500	$ 160,396
Income taxes paid	-	-
	$ 874,500	$ 160,396

1. SIGNIFICANT ACCOUNTING POLICIES

Nature of business

Innisfil Hydro Distribution Systems Limited (the "Company") is wholly owned by the Corporation of the Town of Innisfil (the "Town"). The Company is incorporated under the laws of Ontario and is licensed by the Ontario Energy Board (the "OEB") as an electricity distributor.

The company is regulated by the OEB under authority of the *Electricity Act, 1998*. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity, and the responsibility for ensuring that distribution companies fulfill obligations to connect and service customers.

Basis of accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and policies as set forth in the Accounting Procedures Manual issued by the OEB under the authority of the *Ontario Energy Board Act, 1998.*

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies.

Inventory

Inventory is valued at the lower of cost and replacement cost.

Development charges

Development charges collected under the *Development Charges Act, 1997*, or predecessor legislation, are earmarked for specific capital assets related to growth that will occur in the future. Development charge funds received or receivable prior to January 1, 2000 and the assets associated with them are recorded as long-term liabilities and assets, respectively, until the funds are expended, at which time they are transferred to equity. Development charges received subsequent to January 1, 2000 are transferred to capital contributions upon being expended. Development charges ceased to be collected effective November 1, 2000 in accordance with *Bill 35*, s148 (3).

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are recorded at cost less accumulated amortization. Costs may include contracted services, material, labour, engineering costs and overheads. Also included in capital assets is the costs of capital assets constructed by developers or customers and contributed to the Company. Effective January 1, 2000, the OEB required that such contributions be offset against the related asset cost.

Land rights	- 50 years	straight-line basis
Building and fixtures	- 25 years	straight-line basis
Distribution station equipment	- 30 years	straight-line basis
Distribution equipment	- 25 years	straight-line basis
System Supervisory equipment	- 15 years	straight-line basis
Other equipment	- 5 to 10 years	straight-line basis
Computer equipment	- 5 years	straight-line basis
Computer software	- 3 years	straight-line basis
Contributions in aid of construction	- 25 years	straight-line basis

Revenue recognition

Revenue is recognized on the accrual basis, which includes an estimate of unbilled revenue representing electricity consumed by customers since the date of each customer's last meter reading to the end of the year. Actual results could differ from estimates made of actual electricity usage.

Deferred charges

Deferred charges are amortized on the straight line basis over the estimated useful life of the asset as follows:

Shared Distribution Systems - 25 and 30 years

Transition costs

The Company has incurred costs related to the transition to a competitive electricity market mandated by the Electricity Act, 1998. The OEB has established rules in respect of transition costs which qualify for deferral and amortization against future revenue. To the extent that transition costs are incurred which do not qualify for deferral, these costs are expensed during the period incurred.

Transition costs which are capital in nature, such as computer software, are accounted for as part of deferred charges. These assets are initially recorded as deferred charges until placed in service. Once in service, the asset will be transferred to capital assets and amortized.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Transition costs (continued)

Amortization of the deferred transition costs will commence upon opening of the competitive electricity markets (the "open access date"), which has been established as May 1, 2002. The OEB has indicated that it will review the timing and mechanism for the recovery of transition costs after the open access date and at that time the Company will establish an amortization policy for such costs.

Payments in lieu of taxes

Under the *Electricity Act, 1998*, the Company is required to make payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation, commencing October 1, 2001. These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the *Income Tax Act* (Canada) and the *Corporations Tax Act* (Ontario) as modified by the *Electricity Act, 1998*, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes.

The Company, regulated by the OEB, provides for payments in lieu of corporate income taxes using the taxes payable method.

Under the taxes payable method, no provision is made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Rate-regulated enterprises need not recognize future income taxes to the extent that future income taxes are expected to be included in the rates charged to and recovered from future customers.

Payments in lieu of income taxes are henceforth referred to as income taxes.

Pension plan

The Company participates in the Ontario Municipal Employees Retirement Fund ("OMERS"), a multi-employee public sector pension fund, to provide pension benefits to its qualifying employees. Participation in OMERS is accounted for by the Company as a contributory defined benefit plan.

2. CORRECTION OF PRIOR PERIOD ERROR

Pursuant to the *Electricity Act, 1998*, the Town transferred all of the assets, liabilities and employees of the distribution services division of The Hydro-Electric Commission of the Town to the Company effective November 1, 2000. The transfer was recorded at the exchange amount, which was the best estimate of the Town and the Company of the fair market value of the net assets transferred as at the Transfer Date, as follows:

Net assets at net book value	$21,704,888
Goodwill	$ 5,847,556
Long-term notes	$10,852,444
Common shares	$16,700,000

The estimate was based upon a number of assumptions, including that the transfer was at arm's length and expected rate orders by the OEB. The Town's Transfer By-law and the Asset Purchase Agreement that enacted the transfer provide for an adjustment to the purchase price, if the parties mutually determine, subsequently, that it does not reflect the fair market value of the net assets as at the Transfer Date.

The Company has determined that the transfer was not at arm's length, and should have been accounted for as a related party transaction in accordance with GAAP. Accordingly, the transfer should have been recorded at the carrying amount, which was equal to the net book value of the net assets as at the Transfer Date, as follows:

Net tangible assets	$21,704,888
Long-term notes	$10,852,444
Common shares	$10,852,444

As a result of this determination and certain adverse rate orders by the OEB, the Town and the Company have mutually determined that the fair market value of the net assets was equal to their net book value as at the Transfer Date, and have adjusted the purchase price accordingly.

2. CORRECTION OF PRIOR PERIOD ERROR (continued)

These adjustments have been made retroactively and are reflected in these financial statements for the current and prior periods as follows:

	Year ended December 31, 2001		Two Months Ended December 31, 2000	
	Before Restatement	**After Restatement**	As Previously Reported	As Restated
BALANCE SHEET				
Goodwill	**$ 5,576,229**	**$ -**	$ 5,808,573	$ -
Total assets	**$ 30,801,024**	**$ 25,224,795**	$ 30,884,683	$ 25,076,110
Equity				
Share capital	**$ 16,700,000**	**$ 10,852,444**	$ 16,700,000	$ 10,852,444
Deficit	**(398,845)**	**(127,518)**	(341,123)	(302,140)
	$ 16,301,155	**$ 10,724,926**	$ 16,358,877	$ 10,550,304
STATEMENT OF OPERATIONS AND DEFICIT				
Amortization	**$ 1,669,756**	**$ 1,437,412**	$ 264,151	$ 225,168
Total expenses	**$ 4,933,670**	**$ 4,701,326**	$ 735,230	$ 696,247
Net income (loss) before incorporation and organizational costs	**$ (48,062)**	**$ 184,282**	$ (294,294)	$ (255,311)
Net income (loss) before income taxes	**$ (48,062)**	**$ 184,282**	$ (341,123)	$ (302,140)
Net income (loss)	**$ (57,722)**	**$ 174,622**	$ (341,123)	$ (302,140)

3. RELATED PARTY TRANSACTIONS

The Company provides financial, management and accounting services to an affiliated company controlled by its shareholder (the "Affiliate").

During the period, the Company advanced $665,200 to the Affiliate for an investment in SCBN Telecommunications Inc. The advance is secured by a General Security Agreement conveying first fixed and floating charges over the property, assets, rights and interests of the Affiliate, is repayable upon demand, and bears interest at the Prime Rate of a Canadian Chartered Bank less ¼% per annum, payable monthly. The advances and interest thereon have been recorded in these financial statements at the exchange amounts. The interest rate represents fair value as advised by the Company's bankers.

3. RELATED PARTY TRANSACTIONS (continued)

During the period, the Company provided financial, management and accounting services to the Affiliate in the amount of $33,346. These transactions have been recorded in these financial statements at the carrying amounts, which were equal to historical cost or fair value. Fair value represents fees for equivalent services provided to third parties in the normal course of operations as prescribed by regulation. At the end of the period, $nil (2000 - $4,937) was due to and $37,939 (2000 - $nil) was due from the Affiliate.

The Company provides electricity and services to the Town. These transactions are in the normal course of operations and are measured at the exchange amount, which is equal to fair value as prescribed by regulation. During the period, the Company billed electricity and services to the Town of Innisfil in the amount of $674,631 (2000 - $94,000). At the end of the period, $28,746 (2000 - $21,334) was due for these services. During the period the Company paid municipal taxes of $48,460 (2000 - $7,000) and other expenses of $12,770 (2000 - $4,000) to the shareholder.

4. CAPITAL ASSETS

	2001			2000
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Land	**$ 484,399**	**$ -**	**$ 484,399**	$ 484,399
Land rights	**942,006**	**381,031**	**560,975**	561,395
Building and fixtures	**472,864**	**37,426**	**435,438**	448,020
Distribution station equipment	**2,712,707**	**1,374,569**	**1,338,138**	1,418,615
Distribution system	**28,013,814**	**12,062,008**	**15,951,806**	15,917,352
System supervisory equipment	**631,969**	**77,884**	**554,085**	350,515
Other equipment	**463,195**	**324,673**	**138,522**	212,064
Computer hardware	**379,364**	**332,016**	**47,348**	118,755
Computer software	**295,559**	**107,947**	**187,612**	90,939
Contributions in aid of construction	**(1,300,843)**	**(53,162)**	**(1,247,681)**	(504,534)
	$ 33,095,034	**$ 14,644,392**	**$ 18,450,642**	$ 19,097,520

5. DEVELOPMENT CHARGE DEPOSITS

	2001	2000
Restricted Cash	**$ 770,935**	$ 400,473
Due from the Town of Innisfil	**-**	340,261
	$ 770,935	$ 740,734

6. DEFERRED CHARGES

	2001	2000
Shared distribution systems, net of amortization	$ **105,865**	$ 110,154
Transition costs - computer software	**101,095**	60,284
	$ **206,960**	$ 170,438

Amortization of the shared distribution systems in the amount of $4,793 (2000 - $3,632) is included in amortization on the statement of operations and deficit.

7. BANK INDEBTEDNESS

The Company has available a short-term line of credit in the amount of $500,000, none of which was utilized as at December 31, 2001 (2000 – $nil). The line of credit is secured by a General Security Agreement conveying first fixed and floating charges over the property, assets, rights and interests of the Company, and bears interest at the Prime Rate of a Canadian Chartered Bank less ¼% per annum. The Prime Rate as at December 31, 2001 was 4.0%.

8. LONG-TERM DEBT

	2001	2000
Promissory notes payable to the shareholder, callable with one year plus one day's notice, bearing interest at rates which vary from 7.25% to 9.75%, payable monthly	$ **10,579,444**	$10,852,444
Floating Rate Term Loan, maturing March 31, 2004, secured by a General Security Agreement conveying first fixed and floating charges over the property, assets, rights and interests of the Company, bearing interest at the Prime Rate of a Canadian Chartered Bank less 1/2% per annum, payable monthly.	**600,000**	-
	11,179,444	10,852,444
Less amounts due within one year included in current liabilities	**300,000**	273,000
	$ **10,879,444**	$10,579,444

8. LONG-TERM DEBT (continued)

Principal repayments for the next five years and thereafter are as follows:

2002	$ 300,000
2003	330,000
2004	963,000
2005	399,000
2006	440,000
Thereafter	8,747,444
	$ 11,179,444

9. SHARE CAPITAL

	2001	2000
Authorized		
Unlimited number of common shares		
Issued		
1,000 common shares	**$ 10,852,444**	$10,852,444

10. OTHER REVENUE

	2001	2000
Late payment charges	**$ 89,052**	$ 18,395
Interest and dividend income	**82,668**	21,661
Pole rentals	**101,265**	16,003
Co-operative power purchases reduction	**559,125**	71,234
Ontario Power Generation Inc. settlement	**64,019**	-
Other	**99,423**	8,411
	$ 995,552	$ 135,704

11. TAXATION

The Company became obligated to make payments in lieu of taxes on October 1, 2001. There were no income or capital taxes in the periods prior to October 1, 2001.

The provision for income taxes under the taxes payable method for the period is $9,660 representing large corporations tax.

Future income taxes have not been recorded in the accounts as they are expected to be reflected through future distribution revenues. As at December 31, 2001 future income tax assets of $371,500 have not been recorded on the balance sheet. Future income tax benefits of $64,900 have not been reflected in the income tax provision for the period ended December 31, 2001.

11. TAXATION (continued)

Significant components of the Company's future taxes as at December 31 are as follows:

Future income taxes

Assets		
Tax benefit of loss carryforwards	$	160
Plant and equipment		371,340
Net future income tax assets	$	371,500

The Company has income tax losses carried forward of $540 which expire in 2008. Had the Company accounted for income taxes under the liability method, the benefit of these losses would have been reflected as a reduction to income tax expense of $160.

A reconciliation between income per the financial statements and loss for income tax purposes is provided as follows:

Income before provision for income taxes	$	184,282
Less income prior to October 1, 2001 not subject to tax		399,737
Amortization in excess of capital cost allowance		214,915
Loss for tax purposes	$	(540)

12. PENSION PLANS

The Company makes contributions to OMERS on behalf of 16 members of its staff. The plan is a contributory defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

A contribution holiday has been in effect for OMERS members since August 31, 1998. Accordingly, no contributions were made by the Company during 2001.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the financial instruments included in the financial statements, other than long-term debt, approximated their carrying amounts due to the short-term maturity and floating interest rates of these instruments. Management estimates that the fair value of long-term debt, including the current portion, is approximately $12,645,000, compared with the carrying amount in the financial statements of $11,179,444. The estimate is based upon the discounted cash flow method using a long-term interest rate of 7.25% per annum as at December 31, 2001.

14. CONTINGENT LIABILITIES

A former employee has filed a statement of claim against the Company. Management cannot determine the potential financial effect, if any, at this time.

A class action claiming $500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18,1998. The action was initiated against Toronto Hydro Electric Commission (now Toronto Hydro-Electric System Limited) as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged late payment charges on overdue utility bills at any time after April 1, 1981.

The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the Criminal Code.

The Electricity Distributor Association is undertaking the defense of this class action. At this time it is not possible to quantity the effect, if any, on the financial statements of the Company.

15. COMPARATIVE FIGURES

Comparative figures for the two months ended December 31, 2000 were audited by another firm of chartered accountants.

Innisfil Hydro Distribution Systems Limited
Financial Statements
December 31, 2002

Grant Thornton

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Auditors' Report

To the Directors of
Innisfil Hydro Distribution Systems Limited

We have audited the balance sheet of Innisfil Hydro Distribution Systems Limited as at December 31, 2002 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2002 and the results of its operations and cash flows for year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for 2001 are based on financial statements, which were reported on by another firm of accountants.

Barrie, Canada
July 29, 2003

Grant Thornton LLP
Chartered Accountants

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Innisfil Hydro Distribution Systems Limited
Statements of Earnings and Retained Earnings

Year Ended December 31

	2002	2001 (As restated Note 3, 18)
Revenue		
Distribution and sale of power prior to Open Access	$ 7,086,039	$ 17,851,573
Sale of power after Open Access	8,819,865	-
Distribution	3,590,521	-
	19,496,425	17,851,573
Cost of power		
Power purchased prior to Open Access	5,842,019	13,649,202
Power purchased after Open Access	8,805,946	-
	14,647,965	13,649,202
Gross margin	4,848,460	4,202,371
Other revenue (Note 14)	431,385	458,817
Expenses		
Distribution	852,385	849,574
Billing and collecting	576,878	468,527
Administration	964,513	925,233
Depreciation	1,440,712	1,380,654
	3,834,488	3,623,988
Earnings from operations	1,445,357	1,037,200
Interest on long term debt	1,000,257	982,701
Earnings before income taxes	445,100	54,499
Income taxes (Note 12)	112,000	6,384
Net earnings	$ 333,100	$ 48,115
(Deficit), beginning of year		
As previously reported	$ (127,518)	$ (302,140)
Correction of prior period errors (Note 3)	(126,507)	-
As restated	(254,025)	(302,140)
Net earnings	333,100	174,622
Correction of prior period errors (Note 3)	-	(126,507)
As restated	333,100	48,115
Retained earnings (deficit), end of year	$ 79,075	$ (254,025)

See accompanying notes to the financial statements.

Innisfil Hydro Distribution Systems Limited
Balance Sheet

December 31	2002	2001 (As restated Note 3, 18)
Assets		
Current		
Cash	$ 642,256	$ 2,317,636
Receivables	1,155,838	1,478,807
Unbilled revenue	2,165,824	1,048,500
Inventory	185,755	198,172
Prepaids	131,961	57,525
Due from related party (Note 4)	85,327	61,574
Notes due from related party (Note 4)	996,000	665,200
	5,362,961	5,827,414
Property and equipment (Note 5)	17,935,545	18,544,739
Development charges (Note 6)	788,808	770,935
Regulatory assets (Notes 7 and 15)	1,119,721	193,672
	$ 25,207,035	$ 25,336,760
Liabilities		
Current		
Payables and accruals	$ 1,380,142	$ 2,291,112
Customer credit balances and deposits	216,554	237,258
Income taxes payable	85,049	-
Due to related party (Note 4)	200,148	108,524
Current portion of long-term debt	330,000	300,000
	2,211,893	2,936,894
Customer and retailer deposits	329,371	151,068
Development charges (Note 6)	788,808	770,935
Long term debt (Notes 9 and 17)	10,945,444	10,879,444
	14,275,516	14,738,341
Shareholder's Equity		
Capital stock (Note 10)	10,852,444	10,852,444
Retained earnings (deficit) (Note 3)	79,075	(254,025)
	10,931,519	10,598,419
	$ 25,207,035	$ 25,336,760

Contingent liabilities and subsequent event (Note 13 and 19)

On Behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

Innisfil Hydro Distribution Systems Limited
Statement of Cash Flows

Year Ended December 31	2002	2001 (As restated Note 3, 18)
Cash derived from (applied to)		
Operating		
Net earnings	$ 333,100	$ 48,115
Depreciation	1,440,712	1,380,654
Loss on disposal of property and equipment	-	1,245
	1,773,812	1,430,014
Customers and retailer deposits	178,303	74,728
Change in non-cash operating working capital	(1,635,128)	(220,985)
	316,987	1,283,757
Financing		
Term bank loan advances	396,000	600,000
Capital contributions	448,143	776,343
Decrease in long term debt	(300,000)	(273,000)
Loan to related party	(330,800)	(665,200)
	213,343	438,143
Investing		
Net additions to property and equipment	(1,279,661)	(1,472,198)
Net additions to regulatory assets	(926,049)	(133,388)
	(2,205,710)	(1,605,586)
Net (decrease) increase in cash	(1,675,380)	116,314
Cash, beginning of year	2,317,636	2,201,322
Cash, end of year	$ 642,256	$ 2,317,636

Supplemental cash flow information		
Interest paid	$ 908,633	$ 1,101,951
Income taxes paid	27,372	9,660
Interest received	140,668	82,668

See accompanying notes to the financial statements.

1. Nature of operations

The Company distributes electricity under license from the Ontario Energy Board ("OEB").

The Electricity Act, 1998 provides for a competitive marketplace in the sale of electricity. Ontario's wholesale and retail electricity markets became open to competition May 1, 2002 (Open Access). On December 9, 2002, the Province of Ontario enacted the Electricity Pricing, Conservation and Supply Act 2002 (Bill 210), which amended the Electricity Act, 1998 and other statutes for the purpose of implementing the Electricity Action Plan announced by the Premier of Ontario on November 11, 2002.

The Ontario Energy Board Act, 1998 conferred on the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity consumers, and the responsibility for ensuring that distribution companies fulfil obligations to connect and service customers. The OEB may also prescribe license requirements and conditions to electricity distributors, which may include among other things, specified accounting records, regulatory accounting principles, separation of accounts for distinct businesses and filing and process requirements for rate setting purposes.

2. Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balances.

Inventory

Inventory consists of repair parts, supplies and materials held for future capital expansion, and are valued at the lower of cost and net realizable value.

Rate-setting

Rates for the Company for periods preceding Open Access were set by the OEB to provide an annual rate of return on the amount of common equity. Prior to Open Access, the Company purchased power from Ontario Power Generation and charged distribution customers a bundled rate for generation, transmission and distribution of electricity. The bundled rates originally set by the OEB provided for an annual rate of return. Bundled rates remained in place until Open Access.

Commencing with Open Access, the Company purchases power from the Independent Electricity Market Operator ("IMO") administered spot market and charges distribution customers' unbundled rates, including the OEB-approved distribution rates. These distribution rates were essentially the same as the distribution rates that were incorporated into the bundled rates before Open Access.

2. Summary of significant accounting policies (Continued)

Rate-setting (Continued)

Bill 210 was enacted for the purpose of implementing the Electricity Action Plan announced by the Premier of Ontario on November 11, 2002. The more significant provisions of Bill 210 for the transmission and distribution business are as follows:

- Energy prices for low volume and designated consumers (as defined in Bill 210) are fixed at 4.3 cents per kWh, retroactive to May 1, 2002. Most of the Company's customers qualify for the fixed energy price. In recognition of commodity prices in excess of 4.3 cents per kWh for the period May 1, 2002 to December 1, 2002, Bill 210 requires distributors to issue $75 refunds to eligible consumers and to credit any remaining refund on future bills. The IMO has and will continue to facilitate this price freeze through funding from Ontario Electricity Financial Corporation ("OEFC"), owned by province of Ontario.
- Transmission and distribution rates are capped until at least April 30, 2006. A rate application can be made to the OEB before this date with written approval of the Minister of Energy.
- Effective December 1, 2002, the price paid by distributors to the IMO for wholesale market charges other than energy is largely fixed at the same price distributors are permitted to charge their customers. For the period May 1, 2002 to December 1, 2002, differences between the rates were accumulated in retail settlement variance accounts under the provisions of Article 490 in the OEB's Accounting Procedures Handbook ("APH") for disposition through future offsetting variances or through approved rate adjustments.
- Bill 210 provides for the establishment or continuation for certain amounts to be recorded as assets and deferred until disposition is addressed by the OEB. The most significant accounts are retail settlement variances and market ready (transition) costs.

Regulatory assets primarily represent costs that have been deferred because it is probable that they will be recovered in future rates. Regulatory assets recognized at December 31, 2002 are disclosed in Note 7. The rate cap created by Bill 210 limits the opportunity to recover increased costs and capital spending above current rate base levels through rates during the rate cap period, which is currently until at least April 30, 2006. The Minister of Energy has indicated, in a January 23, 2003 letter to distributors, that he will ask the OEB to complete, no later than December 31, 2003, a review of applications by distributors for recovery of the amounts that Bill 210 deems to be regulatory assets. This letter states that once the OEB completes its review and confirms the amounts to be recovered, recovery will commence no later than 2006.

The Company continues to believe that it is probable that the regulatory assets will be recovered through future rates, although there is more uncertainty today about full recovery than existed before Bill 210. The Company continually assesses the likelihood of recovery of regulatory assets. If recovery through future rates is no longer considered probable, the amounts would be charged to the results of operations in the periods that the determination was made.

2. Summary of significant accounting policies (Continued)

Rate-setting (Continued)

The following regulatory treatments have resulted in accounting treatments differing from Canadian GAAP for enterprises operating in a non-regulated environment:

- Market ready costs have been deferred in accordance with the criteria set out in the OEB Electricity Distribution Rate Handbook, the APH and in subsequent OEB guidelines. In the absence of such regulation, these costs would have been expensed when incurred under Canadian GAAP;

- The Company has deferred certain retail settlement variance amounts under the provisions of Article 490 in the APH;

- The Company provides for payments in lieu of corporate income taxes relating to its regulated businesses using the taxes payable method as directed by the OEB.

Depreciation

Property and equipment are depreciated by the straight-line method over periods approximating their estimated useful lives as follows:

Land rights	50 years
Buildings	25 years
Distribution system	25 years
System Supervisory Equipment	15 years
Other capital assets	5-10 years
Computer equipment	5 years
Computer Software	3 years
Contributions in aid of construction	25 years

When property and equipment is scrapped, the cost of the asset and the related accumulated depreciation is removed from the accounts with the resulting net gain or loss being deferred over the original remaining life of the asset. When property and equipment is sold, the cost of the asset and the related accumulated depreciation is removed from the accounts with the resulting net gain or loss being included in operations for the year.

Corporate income and capital taxes

Under the Electricity Act, 1998, the Company is required to make payments in lieu of corporate taxes to OEFC. These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998 and related regulations.

2. Summary of significant accounting policies (Continued)

Corporate income and capital taxes (Continued)

The Company provides for payments in lieu of corporate income taxes relating to its regulated business using the taxes payable method as directed by the OEB. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Company at that time.

Use of estimates

In preparing the Company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates.

3. Correction of prior period errors

During 2001, the Company had incorrectly accounted for certain transactions and balances. These errors fall into one of three categories: (i) timing, in which transactions or entries are effectively recorded in the wrong fiscal period; (ii) calculation, in which transactions or entries are calculated incorrectly; and (iii) allocation, in which transactions or entries are recorded in the wrong account, typically in an expense account instead of a capital account or conversely.

The effect on net earnings as previously reported in the Company's statement of earnings and deficit for the year ended December 31, 2001 are as follows:

Error	Increase/(Decrease)
Timing	$ (257,453)
Calculation	78,556
Allocation	44,869
Reduction in previously reported payments in lieu of taxes due to adjusting for above errors	7,521
	$ (126,507)

3. Correction of prior period errors (Continued)

Adjustments to correct these errors have been made retroactively and are reflected in the financial statements for the current and prior periods as follows:

	December 31, 2002		December 31, 2001	
	Before Restatement	After Restatement	As Previously Reported	As Restated
Balance Sheet				
Receivables	$ 1,447,533	$ 1,155,838	$ 1,471,287	$ 1,478,807
Due from related party	61,692	85,327	37,938	61,574
Total current assets	5,339,326	5,362,961	5,796,258	5,827,414
Property and equipment	17,856,293	17,935,545	18,450,642	18,544,739
Regulatory assets	1,027,143	1,119,721	101,095	193,672
Total assets	25,011,840	25,207,035	25,224,795	25,336,760
Payables and accruals	$ -	$ -	$ 2,079,427	$ 2,291,112
Due to related party	198,510	200,148	81,737	108,524
Total current liabilities	2,210,255	2,211,893	2,698,422	2,936,894
Total liabilities	14,273,878	14,275,516	14,499,869	14,738,341
Retained earnings (deficit)	52,122	79,075	(127,518)	(254,025)
Shareholder's equity	10,904,566	10,931,519	10,724,926	10,598,419
Statement of Earnings and Retained Earnings				
Cost of power	$ 14,894,776	$ 14,647,965	$ 13,402,392	$ 13,649,202
Gross margin	4,601,649	4,848,460	4,449,182	4,202,371
Other revenue	430,140	431,385	436,428	458,817
Operating expenses	2,403,173	2,393,776	2,308,000	2,243,333
Depreciation	1,474,311	1,440,712	1,437,412	1,380,654
Interest on long term debt	-	-	955,914	982,701
Earnings before income taxes	240,040	445,100	184,282	54,499
Income taxes	60,400	112,000	9,660	6,384
Net earnings	179,640	333,100	174,622	48,115
Retained earnings (deficit), beginning of year	$ (127,518)	$ (254,025)	$ (302,140)	$ (302,140)
Net earnings	179,640	333,100	174,622	48,115
Retained earnings (deficit), end of year	$ 52,122	$ 79,075	$ (127,518)	$ (254,025)

4. Related party transactions

	2002	2001
The Company had the following related party transactions:		
Innisfil Energy Services Limited ("IESL") - affiliated company controlled by shareholder		
Services provided	$ 47,398	$ 49,423
Advances for investment in SCBN	330,800	665,200
Interest on advances	35,906	9,232
The Corporation of The Town of Innisfil ("Town") - shareholder		
Interest on advances	960,686	955,914
Electrical services	650,299	674,631
Municipal taxes	48,642	48,460
Other	4,543	12,770
Balances outstanding at December 31:		
Due from Innisfil Energy Services Limited.	$ 85,327	$ 61,574
Notes due from Innisfil Energy Services Limited	996,000	665,200
Note and debenture payable to Town	10,279,444	10,579,444
Accrued interest, due to Town	200,148	108,524
Due from Town, receivables	60,439	28,746

During the period, the Company advanced $330,800 to the IESL for an investment in SCBN Telecommunications Inc. The advance is secured by a General Security Agreement conveying first fixed and floating charges over the property, assets, rights and interests of IESL, is repayable upon demand, and bears interest at the prime rate of a Canadian chartered bank less ¼% per annum, payable monthly. The advances and interest thereon have been recorded in these financial statements at the carrying amounts, which were equal to historical cost or fair value. The interest rate represents fair value as advised by the Company's bankers.

During the period, the Company provided financial, management and accounting services to IESL in the amount of $47,398 (2001 - $49,423). These transactions have been recorded in these financial statements at the carrying amounts, which were equal to historical cost or fair value. Fair value represents fees for equivalent services provided to third parties in the normal course of operations as prescribed by regulation. At the end of the period, $85,327 (2001 - $61,574) was due from IESL.

The Company provides electricity and services to the Town. These transactions are in the normal course of operations and are measured at the exchange amount, which is equal to fair value as prescribed by regulation. During the period, the Company billed electricity and services to the Town in the amount of $650,299 (2001 - $674,631). At the end of the period, $ 60,439 (2001 - $28,746) was due for these services. During the period, the Company paid municipal taxes of $48,462 (2001 - $48,640) and other expenses of $4,543 (2001 - $12,770) to the Town.

5. Property and equipment

	Cost	Accumulated Depreciation	2002 Net Book Value	2001 Net Book Value
Land	$ 484,399	$ -	**$ 484,399**	$ 484,399
Land rights	950,496	399,775	**550,721**	561,156
Building and fixtures	482,563	56,534	**426,029**	435,438
Distribution station equipment	2,713,444	1,462,638	**1,250,806**	1,340,038
Distribution system	28,916,001	13,151,039	**15,764,962**	16,004,584
System supervisory equipment	804,982	127,546	**677,436**	567,629
Other equipment	563,873	375,801	**188,072**	234,830
Computer hardware	431,459	346,341	**85,118**	75,763
Computer software	328,620	189,102	**139,518**	85,271
Contributions in aid of construction	(1,748,985)	(117,469)	**(1,631,516)**	(1,244,369)
	$ 33,926,852	$ 15,991,307	**$ 17,935,545**	$ 18,544,739

6. Development charges

In accordance with the Electricity Act, 1998, the Company maintains a bank balance and a corresponding liability for development charges, which are to be expended on qualifying growth-related capital assets.

	2002	2001
Restricted cash	**$ 788,808**	$ 770,935

7. Regulatory assets

As described in Note 2, the Company has recorded the following regulatory assets:

	2002	2001
Settlement variances	**$ 863,642**	$ -
Transition costs - computer software	**256,079**	193,672
	$ 1,119,721	$ 193,672

8. Bank indebtedness

The Company has available a committed revolving line of credit in the amount of $2,000,000 (2001 – $ Nil) of which $1,144,016 was utilized as at December 31, 2002 (2001 – $ Nil) by way of a bank letter of credit as described in Note 13. The line of credit is secured by a General Security Agreement conveying first fixed and floating charges over the property, assets, rights and interests of the Company, and bears interest at the prime rate of a Canadian chartered bank less ¼% per annum.

9. Long term debt

	2002	2001
Debenture payable to the Town	$ 8,172,000	$ 8,472,000
Note payable to the Town	2,107,444	2,107,444
Floating rate term loan	996,000	600,000
	11,275,444	11,179,444
Less: current portion	330,000	300,000
	$ 10,945,444	$ 10,879,444

The debenture is payable to the Town and bears interest at various rates ranging from 8.0% to 9.75%. Principal payments are due annually March 31 until 2015.

The note is payable to the Town. Payments are interest only at 7.25%. The note is callable with one year plus one day's notice.

The floating rate term loan matures March 31, 2004, is secured by a general security agreement conveying first fixed and floating charges over the property, assets, rights and interests of the Company, bearing interest at the prime rate of a Canadian chartered bank less ½ % per annum, payable monthly.

Principal payments due in each of the next five years are as follows:

2003	$ 330,000
2004	1,063,000
2005	428,600
2006	469,600
2007	514,600

10. Capital stock

	2002	2001
Authorized:		
The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares.		
Issued:		
1,000 common shares	$ 10,852,444	$ 10,852,444

11. Public liability insurance

The Company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE has provided general liability insurance to the Company of $20,000,000 per occurrence.

12. Income taxes

The Company is required to compute and remit to the OEFC payments in lieu of income taxes (PILS). PILS are computed in accordance with rules for computing income, capital and other taxes provided for in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by The Electricity Act, 1998 and related regulations.

Income before provision for PILS	$ 445,100
Federal and Ontario statutory income tax rates	38%
Provision for PILS at statutory rate	$ 169,000
Depreciation in excess of capital cost allowance	1,400
Net temporary differences	170,400
Permanent differences	
Large Corporation Tax	24,000
Loss carry forward	(82,400)
Provision for PILS	$ 112,000
Effective income tax rate	25%

Future income taxes relating to the regulated businesses have not been recorded in the accounts as they are expected to be recovered through future revenues.

13. Contingent liabilities

Security

Purchasers of electricity in Ontario, through the IMO, are required to provide security to mitigate the risk of their default based on their expected activity in the market. The IMO could draw on these guarantees if the Company fails to make a payment required by default notice issued by the IMO. The maximum potential payment is the face value of the bank letters of credit. As at December 31, 2002, the Company provided prudential support using bank letters of credit of $1,144,016.

13. Contingent liabilities (Continued)

Statement of claim

A former employee has filed a statement of claim against the company. Management cannot determine the potential financial effects of this claim, if any, at this time.

Class action suit

A class action suit claiming $500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18,1998. The action was initiated against Toronto Hydro Electric Commission (Toronto Hydro-Electric Systems Limited) as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged late payment charges on overdue utility bills at any time after April 1,1981. The claim is that the late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the criminal code. The Electricity Distributor Association is undertaking the defence of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the Company.

14. Other revenue

	2002	2001
Late payment charges	$ 70,699	$ 89,052
Interest	140,668	82,668
Pole rentals	113,549	101,265
Miscellaneous service revenues	44,392	36,367
Ontario power generation settlement	-	64,019
Management fee charged to affiliate	47,398	49,423
Miscellaneous non operating income	14,679	36,023
	$ 431,385	$ 458,817

15. Pre-market opening energy variance

The pre-market opening variance represents the difference between the Company's purchased cost of power based upon time-of-use ("TOU") and OEB-approved unbundled cost of power rates to non-TOU customers, deemed effective January 1, 2001. For regulatory reporting purposes the Company is required to record this variance in its accounts by increasing its cost of power to reflect a "flow through" of energy costs; however, the Company did not actually bill or collect at these unbundled cost of power rates throughout the period as assumed by the APH.

15. Pre-market opening energy variance (Continued)

Furthermore, the OEB has not established policies and procedures for the disposition of the variance. Accordingly, the Company decided not to record the variance for financial statement purposes. Had the Company done so, the effect on the statement of earnings and retained earnings would be to increase the cost of power purchased prior to Open Access by the amount of the variance for the relevant period, and to decrease the gross margin, earnings from operations and earnings before payments in lieu of income taxes by the same amounts. On the balance sheet, the cumulative variance would have been recorded as a non-current regulatory liability for the relevant period as follows:

January 1, 2001 to December 31, 2001	$ 1,651,621
January 1, 2002 to April 30, 2002	191,990
	$ 1,843,611

16. Pension plan

The Company makes contributions to OMERS which is a multi-employer plan, on behalf of 16 members of its staff. The plan is a contributory defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Effective August 1, 1998, OMERS provided a temporary contribution holiday, with no employer or employee pension contributions required until January 2003. As a result, no amount was contributed to OMERS for 2002 (2001 - $Nil) for current service.

Contributions will resume January 1, 2003 at rates 2.1% and 2.6% depending on the proposed retirement age and level of earnings. Effective January 1, 2004 full contribution rates will resume from 6% to 9.8% depending on the proposed retirement age and the level of earnings.

17. Fair value of financial instruments

The fair value of the financial instruments included in the financial statements, other than Long-term debt, approximated their carrying amounts due to the short-term maturity and floating interest rates of these instruments. Management estimates that the fair value of Long-term debt, including the current portion, is approximately $12,620,000, compared with the carrying amount in the financial statements of $11,275,444. The estimate is based upon a long-term interest rate of 7.25% per annum as at December 31, 2002.

18. Comparative figures

Certain of the 2001 comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year. In particular, co-operative power purchases reduction of $559,125 that was previously included in other revenue on the statement of earnings and retained earnings is included as a reduction in cost of power in these financial statements. In addition, shared distribution systems of $105,865 that were previously shown, as deferred charges on the balance sheet are included with property and equipment in these financial statements, while restated transition costs of $193,672 are included in regulatory assets.

19. Subsequent event

In January 2003, the Company determined that certain of its capital costs related to Development Charges collected by the Town under the authority of the Development Charges Act, 1997 and transferred to the Company pursuant to the Electricity Act, 1998. Accordingly, the Company transferred $313,298 from its restricted cash development charge bank account to its general bank account and transferred the same amount from its development charge liability account to the equity account.

Innisfil Hydro Distribution Systems Limited
Financial Statements
December 31, 2003

Grant Thornton

INNISFIL HYDRO
DISTRIBUTION SYSTEMS LIMITED

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Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member of
Grant Thornton International

Grant Thornton

Auditors' Report

To the Directors of
Innisfil Hydro Distribution Systems Limited

We have audited the balance sheet of Innisfil Hydro Distribution Systems Limited as at December 31, 2003 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2003 and the results of its operations and cash flows for year then ended in accordance with Canadian generally accepted accounting principles.

Barrie, Canada
March 12, 2004

Grant Thornton LLP
Chartered Accountants

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Innisfil Hydro Distribution Systems Limited
Statements of Earnings and Retained Earnings

Year Ended December 31	2003	2002
Revenue		
Distribution and sale of power prior to Open Access	$ -	$ 7,086,039
Sale of power after Open Access	14,150,645	8,819,865
Distribution	5,576,102	3,590,521
	19,726,747	19,496,425
Cost of power		
Power purchased prior to Open Access	-	5,842,019
Power purchased after Open Access	14,206,027	8,805,946
	14,206,027	14,647,965
Gross margin	5,520,720	4,848,460
Other revenue (Note 13)	591,037	431,385
Expenses		
Distribution	861,618	852,385
Billing and collecting	664,946	576,878
Administration	929,659	964,513
Depreciation	1,414,721	1,440,712
	3,870,944	3,834,488
Earnings from operations	2,240,813	1,445,357
Interest on long term debt	985,068	1,000,257
Earnings before payments in lieu of taxes	1,255,745	445,100
Payments in lieu of taxes (Note 11)	555,000	112,000
Net earnings	$ 700,745	$ 333,100
Retained earnings (deficit), beginning of year	$ 79,075	(254,025)
Net earnings	700,745	333,100
Dividends	(200,000)	-
Retained earnings, end of year	$ 579,820	$ 79,075

See accompanying notes to the financial statements.

Innisfil Hydro Distribution Systems Limited
Balance Sheet

December 31	2003	2002
Assets		
Current		
Cash	$ 2,473,714	$ 642,256
Receivables	1,327,435	1,155,838
Unbilled revenue	2,566,537	2,165,824
Inventory	187,174	185,755
Prepaids	135,776	131,961
Due from related party (Note 3)	71,821	85,327
Notes due from related party (Note 3)	996,000	996,000
	7,758,457	5,362,961
Property and equipment (Note 4)	17,167,869	17,935,545
Development charges (Note 5)	487,292	788,808
Regulatory assets (Notes 6 and 14)	1,489,075	1,119,721
	$ 26,902,693	$ 25,207,035
Liabilities		
Current		
Payables and accruals	$ 2,278,537	$ 1,380,142
Customer credit balances and deposits	391,436	216,554
Income taxes payable	485,290	85,049
Due to related party (Note 3)	190,673	200,148
Current portion of long-term debt	1,091,645	330,000
	4,437,581	2,211,893
Customer and retailer deposits	378,459	329,371
Development charges (Note 5)	487,292	788,808
Long term debt (Notes 8 and 16)	9,853,799	10,945,444
	15,157,131	14,275,516
Shareholder's Equity		
Capital stock (Note 9)	10,852,444	10,852,444
Development charges transferred to equity (Note 5)	313,298	-
Retained earnings	579,820	79,075
	11,745,562	10,931,519
	$ 26,902,693	$ 25,207,035

Contingent liabilities (Note 12)

On Behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

Innisfil Hydro Distribution Systems Limited
Statement of Cash Flows

Year Ended December 31	2003	2002
Cash derived from (applied to)		
Operating		
Net earnings	$ 700,745	$ 333,100
Depreciation	1,414,721	1,440,712
	2,115,466	1,773,812
Customers and retailer deposits	49,088	178,303
Change in non-cash operating working capital	900,005	(1,635,128)
	3,064,559	316,987
Financing		
Term bank loan advances	-	396,000
Capital contributions	609,099	448,143
Decrease in long term debt	(330,000)	(300,000)
Loan to related party	-	(330,800)
	279,099	213,343
Investing		
Net additions to property and equipment	(942,846)	(1,279,661)
Net additions to regulatory assets	(369,354)	(926,049)
	(1,312,200)	(2,205,710)
Dividends	(200,000)	-
Net increase (decrease) in cash	1,831,458	(1,675,380)
Cash, beginning of year	642,256	2,317,636
Cash, end of year	$ 2,473,714	$ 642,256
Supplemental cash flow information		
Interest paid	$ 992,718	$ 908,633
Income and capital taxes paid	227,585	27,372
Interest received	271,844	140,668

See accompanying notes to the financial statements.

1. Nature of operations

The company distributes electricity under license from the Ontario Energy Board ("OEB"). The Electricity Act, 1998 provides for a competitive marketplace in the sale of electricity. Ontario's wholesale and retail electricity markets became open to competition May 1, 2002 (Open Access). The Ontario Energy Board Act, 1998 conferred on the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity consumers, and the responsibility for ensuring that distribution companies fulfil obligations to connect and service customers. The OEB may also prescribe license requirements and conditions to electricity distributors, which may include among other things, specified accounting records, regulatory accounting principles, separation of accounts for distinct businesses and filing and process requirements for rate setting purposes.

2. Summary of significant accounting policies

Revenue recognition

Prior to Open Access, revenues attributable to the sale and delivery of electricity were based on OEB approved bundled rates. Since Open Access, revenues are based on OEB approved unbundled rates and are recognized as power is delivered to customers. The company estimates the monthly revenue for the period based on customer's usage because customer meters are not generally read at the end of each month. Unbilled revenue is recognized for customer usage not billed at December 31, 2003.

Inventory

Inventory consists of repair parts, supplies and materials held for future capital expansion and is valued at lower of average cost and estimated net realizable value.

Rate-setting

The electricity distribution business is subject to rate regulation by the OEB. The OEB has the general power to include or exclude costs, revenues, losses or gains in the rates of a specific period, resulting in a change in the timing of accounting recognition from that which would have applied in an unregulated company. This change in timing gives rise to the recognition of regulatory assets and liabilities. These regulatory assets and liabilities reflect the fact that revenue and expenses are recognized in the financial statements in different periods consistent with their inclusion in rates, as directed by the regulator, than would be the case for an enterprise that is unregulated. Specific regulatory assets and liabilities recognized at December 31, 2003 are disclosed in Notes 6 and 14.

2. Summary of significant accounting policies (Continued)

Rate-setting (Continued)

In a letter dated December 19, 2003, the Minister of Energy granted approval for distributors to make application to the OEB with regard to rate recovery of certain distribution regulatory assets whose inclusion in rates was delayed by the Electricity Pricing, Conservation and Supply Act, 2002. As a result of the company's distribution rate application dated March 4, 2004, these distribution regulatory assets are expected to be recovered in distribution rates over four years, commencing April 1, 2004. However, the amount to be recovered will be subject to a yet to be determined OEB review and approval process, expected to occur later in 2004.

The company continually assesses the likelihood of recovery of each of its regulatory assets and liabilities and believes that it is probable that its regulatory assets and liability will be factored into the setting of future rates. If future recovery through rates is no longer considered probable, the appropriate carrying amount will be written off in the period that the assessment is made.

The following regulatory treatments have resulted in accounting treatments differing from Canadian GAAP for enterprises operating in a non-regulated environment:.

- Market ready costs have been deferred in accordance with the criteria set out in the OEB Electricity Distribution Rate Handbook, the Accounting Procedures Handbook and in subsequent OEB guidelines. In the absence of such regulation, these costs would have been expensed when incurred under Canadian GAAP.

- The company has deferred certain retail settlement variance amounts under the provisions of Article 490 in the OEB Accounting Procedures Handbook.

Depreciation

Property and equipment are depreciated by the straight-line method over periods approximating their estimated useful lives as follows:

Land rights	50 years
Buildings	25 years
Distribution system	25 years
System supervisory equipment	15 years
Other capital assets	5-10 years
Computer equipment	5 years
Computer software	3 years
Contributions in aid of construction	25 years

2. Summary of significant accounting policies (Continued)

Depreciation (Continued)

When property and equipment is sold, the cost of the asset and the related accumulated depreciation is removed from the accounts with the resulting net gain or loss being included in operations for the year. When property and equipment is scrapped, the cost of the asset and the related accumulated depreciation is removed from the accounts with the resulting net gain or loss being deferred over the original remaining life of the asset.

Fixed assets retirement obligations

Canadian generally accepted accounting principles require the company to determine the fair value of the future expenditures required to settle legal obligations to remove fixed assets on retirement. If reasonably estimable, a liability is recognized equal to the present value of the estimated future removal expenditures. An equivalent amount is capitalized as an inherent cost of the associated fixed assets.

Some of the company's assets may have asset retirement obligations. As the company expects to use the majority of its fixed assets for an indefinite period, no removal date can be determined and, consequently, a reasonable estimate of the fair value of any asset retirement obligations have not been made at this time.

Corporate income and capital taxes

Under the Electricity Act, 1998, the company is required to make payments in lieu of corporate taxes to OEFC. These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998 and related regulations.

The company provides for payments in lieu of corporate income taxes relating to its regulated business using the taxes payable method as directed by the OEB. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the company at that time.

Use of estimates

In preparing the company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates.

3. Related party transactions

The company had the following related party transactions:

	2003	2002
Innisfil Energy Services Limited ("IESL") - affiliated company controlled by shareholder		
Services provided	$ **44,420**	$ 47,398
Advances for investment in SCBN	**-**	330,800
Interest on advances	**44,206**	35,906
The Corporation of The Town of Innisfil ("Town") - shareholder		
Interest on advances	**931,185**	960,686
Electrical services	**718,020**	650,299
Dividends	**200,000**	-
Municipal taxes	**37,919**	48,642
Other	**13,672**	4,543

Balances outstanding at December 31:

Due from Innisfil Energy Services Limited.	$ **71,821**	$ 85,327
Notes due from Innisfil Energy Services Limited	**996,000**	996,000
Note and debenture payable to Town	**9,949,444**	10,279,444
Accrued interest, due to Town	**190,673**	200,148
Due from Town, receivables	**69,410**	60,439

The note due from IESL is secured by a General Security Agreement conveying first fixed and floating charges over the property, assets, rights and interests of IESL, is repayable upon demand, and bears interest at the prime rate of a Canadian chartered bank less 0.25% per annum, payable monthly. The note and interest thereon have been recorded in these financial statements at the carrying amounts, which were equal to historical cost or fair value. The interest rate represents fair value as advised by the company's bankers.

During the year, the company provided financial, management and accounting services to IESL in the amount of $44,420 (2002 - $47,398). These transactions have been recorded in these financial statements at the carrying amounts, which were equal to historical cost or fair value. Fair value represents fees for equivalent services provided to third parties in the normal course of operations as prescribed by regulation. At the end of the year, $71,821 (2002 - $85,327) was due from IESL.

The company provides electricity and services to the Town. These transactions are in the normal course of operations and are measured at the exchange amount, which is equal to fair value as prescribed by regulation. During the year, the company billed electricity and services to the Town in the amount of $718,020 (2002 - $650,299). At the end of the year, $ 69,410 (2002 - $60,439) was due for these services. During the year, the company paid municipal taxes of $37,919 (2002 - $48,462) and other expenses of $13,672 (2002 - $4,543) to the Town.

4. Property and equipment

	Cost	Accumulated Depreciation	2003 Net Book Value	2002 Net Book Value
Land	$ 484,399	$ -	**$ 484,399**	$ 484,399
Land rights	948,590	418,767	**529,823**	550,721
Building and fixtures	496,640	76,118	**420,522**	426,029
Distribution station equipment	2,768,251	1,552,803	**1,215,448**	1,250,806
Distribution system	29,695,644	14,304,318	**15,391,326**	15,764,962
System supervisory equipment	883,495	184,113	**699,382**	677,436
Other equipment	489,356	395,864	**93,492**	188,072
Computer hardware	445,225	378,463	**66,762**	85,118
Computer software	377,008	259,343	**117,665**	139,518
Contributions in aid of construction	(2,044,786)	(193,836)	**(1,850,950)**	(1,631,516)
	$ 34,543,822	$ 17,375,953	**$ 17,167,869**	$ 17,935,545

5. Development charges

	2003	2002

In accordance with the Electricity Act, 1998, the company maintains a bank balance and a corresponding liability for development charges, which are to be expended on qualifying growth-related capital assets.

Restricted cash	**$ 487,292**	$ 788,808

During the year, the company determined that certain of its capital costs related to development charges collected by the Town under the authority of the Development Charges Act, 1997 and transferred to the company pursuant to the Electricity Act, 1998. Accordingly, the company transferred $313,298 from its restricted cash development charge bank account to its general bank account and transferred the same amount from its development charge liability account to the equity account.

6. Regulatory assets

	2003	2002

As described in Note 2, the company has recorded the following regulatory assets:

Settlement variances	**$ 1,232,996**	$ 863,642
Transition costs - computer software	**256,079**	256,079
	$ 1,489,075	$ 1,119,721

7. Bank indebtedness

The company has available a committed revolving line of credit in the amount of $3,000,000 (2002 – $2,000,000) of which $1,144,016 was utilized as at December 31, 2003 (2002 – $1,144,016) by way of a bank letter of credit as described in Note 12. The line of credit is secured by a general security agreement conveying first fixed and floating charges over the property, assets, rights and interests of the company and bears interest at the prime rate of a Canadian chartered bank less 0.25% per annum.

8. Long term debt

	2003	2002
Debentures payable to the Town	$ 7,842,000	$ 8,172,000
Note payable to the Town	2,107,444	2,107,444
Floating rate term loan	996,000	996,000
	10,945,444	11,275,444
Less: current portion	1,091,645	330,000
	$ 9,853,799	$ 10,945,444

The debentures are payable to the Town and bear interest at 9.5% to 9.75%, payable semi-annually. Principal payments are due annually March 31 until 2015.

The note is payable to the Town and payments are interest only at 7.25%. The note is callable with one year plus one day's notice.

The floating rate term loan matures December 31, 2011, is secured by a general security agreement conveying first fixed and floating charges over the property, assets, rights and interests of the company, bears interest at the prime rate of a Canadian chartered bank less 0.5 % per annum, payable monthly. Principal payments are quarterly starting March 31, 2004.

Principal payments due in each of the next five years are as follows:

2004	$ 1,091,645
2005	437,194
2006	478,194
2007	523,194
2008	572,194

9. Capital stock

	2003	2002
Authorized:		
The company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares.		
Issued:		
1,000 common shares	$ 10,852,444	$ 10,852,444

10. Public liability insurance

The company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE has provided comprehensive liability insurance to the company of $20,000,000 per occurrence.

11. Payments in lieu of taxes

The company is required to compute and remit to the OEFC payments in lieu of income taxes (PILS). PILS are computed in accordance with rules for computing income, capital and other taxes provided for in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by The Electricity Act, 1998 and related regulations.

	2003	2002
Income before provision for PILS	$ 1,255,745	$ 445,100
Federal and Ontario statutory income tax rates	36.6%	38%
Provision for PILS at statutory rate	$ 459,854	$ 169,000
Temporary differences		
Depreciation in excess of capital cost allowance	107,636	1,400
Other	8,332	-
Net temporary differences	115,968	1,400
Permanent differences		
Large Corporation Tax	10,191	24,000
Overpayment of prior year's income taxes	(31,013)	-
Loss carry forward	-	(82,400)
Net permanent differences	(20,822)	(58,400)
Provision for PILS	$ 555,000	$ 112,000
Effective income tax rate	44.2%	25%

11. Income taxes (Continued)

Future income taxes relating to the regulated businesses have not been recorded in the accounts as they are expected to be recovered through future revenues.

12. Contingent liabilities

Security

Purchasers of electricity in Ontario, through the IMO, are required to provide security to mitigate the risk of their default based on their expected activity in the market. The IMO could draw on these guarantees if the company fails to make a payment required by default notice issued by the IMO. The maximum potential payment is the face value of the bank letters of credit. As at December 31, 2003, the company provided prudential support using bank letters of credit of $1,144,016.

Statement of claim

A former employee has filed a statement of claim against the company. Management cannot determine the potential financial effects of this claim, if any, at this time.

Class action suit

A class action suit claiming $500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18,1998. The action was initiated against Toronto Hydro Electric Commission (Toronto Hydro-Electric Systems Limited) as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged late payment charges on overdue utility bills at any time after April 1,1981. The claim is that the late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the criminal code. The Electricity Distributor Association is undertaking the defence of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the company.

13. Other revenue

	2003	2002
Late payment charges	$ 78,016	$ 70,699
Interest	275,974	140,668
Pole rentals	127,413	113,549
Miscellaneous service revenues	56,584	44,392
Management fee charged to affiliate	44,420	47,398
Miscellaneous non-operating income	8,630	14,679
	$ 591,037	$ 431,385

14. Pre-market opening energy variance

The pre-market opening variance represents the difference between the company's purchased cost of power based upon time-of-use ("TOU") and OEB-approved unbundled cost of power rates to non-TOU customers, deemed effective January 1, 2001. For regulatory reporting purposes the company is required to record this variance in its accounts by increasing its cost of power to reflect a "flow through" of energy costs; however, the company did not actually bill or collect at these unbundled cost of power rates throughout the period as assumed by the APH.

While the OEB has established guidelines for the recovery of regulatory assets, it has not established guidelines for the disposition of regulatory liabilities. Accordingly, the company decided not to record the variance for financial statement purposes. Had the company done so, the effect on the statement of earnings and retained earnings would be to increase the cost of power purchased prior to Open Access by the amount of the variance for the relevant period, and to decrease the gross margin, earnings from operations and earnings before payments in lieu of income taxes by the same amounts. On the balance sheet, the cumulative variance would have been recorded as a non-current regulatory liability for the relevant period as follows:

January 1, 2001 to December 31, 2001	$ 1,651,621
January 1, 2002 to April 30, 2002	191,990
	$ 1,843,611

15. Pension plan

The company makes contributions to Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer plan, on behalf of its staff. The plan is a contributory defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Effective August 1, 1998, OMERS provided a temporary contribution holiday, with no employer or employee pension contributions required until January 2003.

Commencing January 1, 2003 contributions resumed at rates 2.1% and 2.6% of employee contributory earnings, depending upon the level of earnings. As a result, the company made contributions totaling $19,915 (2002 – $ NIL) for current service.

Effective January 2004, full contribution rates are proposed to resume at rates ranging from 6% to 8.8% of employee contributory earnings, depending upon the level of earnings.

16. Fair value of financial instruments

The fair value of the financial instruments included in the financial statements, other than long-term debt, approximated their carrying amounts due to the short-term maturity and floating interest rates of these instruments. Management estimates that the fair value of long-term debt, including the current portion, is approximately $11,544,000, compared with the carrying amount in the financial statements of $10,945,444. The estimate is based upon a long-term interest rate of 7.25% per annum as at December 31, 2003.

FAX COVER SHEET

TO: Marlene S. Kabo

COMPANY: Statistics Canada

FAX NO.: (613) 951-0661

FROM: Laurie Ann Cooledge CFO
Innisfil Hydro: Accounting Department

DATE: March 1, 2005

Pages sent including cover sheet: 4

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Innisfil Hydro Distribution Systems Limited
Statements of Earnings and Retained Earnings

Year Ended December 31

	2003	2002
Revenue		
Distribution and sale of power prior to Open Access	$ -	$ 7,086,039
Sale of power after Open Access	14,150,645	8,819,865
Distribution	5,576,102	3,590,521
	19,726,747	19,496,425
Cost of power		
Power purchased prior to Open Access	-	5,842,019
Power purchased after Open Access	14,206,027	8,805,946
	14,206,027	14,647,965
Gross margin	5,520,720	4,848,460
Other revenue (Note 13)	591,037	431,385
Expenses		
Distribution	861,618	852,385
Billing and collecting	664,946	576,878
Administration	929,659	964,513
Depreciation	1,414,721	1,440,712
	3,870,944	3,834,488
Earnings from operations	2,240,813	1,445,357
Interest on long term debt	985,068	1,000,257
Earnings before payments in lieu of taxes	1,255,745	445,100
Payments in lieu of taxes (Note 11)	555,000	112,000
Net earnings	$ 700,745	$ 333,100
Retained earnings (deficit), beginning of year	$ 79,075	(254,025)
Net earnings	700,745	333,100
Dividends	(200,000)	-
Retained earnings, end of year	$ 579,820	$ 79,075

See accompanying notes to the financial statements.

Innisfil Hydro Distribution Systems Limited
Balance Sheet

December 31

	2003	2002
Assets		
Current		
Cash	$ 2,473,714	$ 642,256
Receivables	1,327,435	1,155,838
Unbilled revenue	2,566,537	2,165,824
Inventory	187,174	185,755
Prepaids	135,776	131,961
Due from related party (Note 3)	71,821	85,327
Notes due from related party (Note 3)	996,000	996,000
	7,758,457	5,362,961
Property and equipment (Note 4)	17,167,869	17,935,545
Development charges (Note 5)	487,292	788,808
Regulatory assets (Notes 6 and 14)	1,489,075	1,119,721
	$ 26,902,693	$ 25,207,035
Liabilities		
Current		
Payables and accruals	$ 2,278,537	$ 1,380,142
Customer credit balances and deposits	391,436	216,554
Income taxes payable	485,290	85,049
Due to related party (Note 3)	190,673	200,148
Current portion of long-term debt	1,091,645	330,000
	4,437,581	2,211,893
Customer and retailer deposits	378,459	329,371
Development charges (Note 5)	487,292	788,808
Long term debt (Notes 8 and 16)	9,853,799	10,945,444
	15,157,131	14,275,516
Shareholder's Equity		
Capital stock (Note 9)	10,852,444	10,852,444
Development charges transferred to equity (Note 5)	313,298	-
Retained earnings	579,820	79,075
	11,745,562	10,931,519
	$ 26,902,693	$ 25,207,035

Contingent liabilities (Note 12)

On Behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

Innisfil Hydro Distribution Systems Limited
Statement of Cash Flows

Year Ended December 31

	2003	2002
Cash derived from (applied to)		
Operating		
Net earnings	$ 700,745	$ 333,100
Depreciation	1,414,721	1,440,712
	2,115,466	1,773,812
Customers and retailer deposits	49,088	178,303
Change in non-cash operating working capital	900,005	(1,635,128)
	3,064,559	316,987
Financing		
Term bank loan advances	-	396,000
Capital contributions	609,099	448,143
Decrease in long term debt	(330,000)	(300,000)
Loan to related party	-	(330,800)
	279,099	213,343
Investing		
Net additions to property and equipment	(942,846)	(1,279,661)
Net additions to regulatory assets	(369,354)	(926,049)
	(1,312,200)	(2,205,710)
Dividends	(200,000)	-
Net increase (decrease) in cash	1,831,458	(1,675,380)
Cash, beginning of year	642,256	2,317,636
Cash, end of year	$ 2,473,714	$ 642,256

Supplemental cash flow information		
Interest paid	$ 992,718	$ 908,633
Income and capital taxes paid	227,585	27,372
Interest received	271,844	140,668

See accompanying notes to the financial statements.

Laurie Ann Cooledge

From: Marlene.Simeus-Kabo@statcan.ca
Sent: February 28, 2005 10:57 AM
To: Laurie Ann Cooledge
Subject: 2003 Financial Statements for Innisfil Hydro Systems
Flag Status: Flagged

Mrs Laurie Coulish,

As per our telephone conversation, the municipal government is the only shareholder of Innisfil Hydro Distribution Systems- therefore, the company is a municipal government enterprise and considered to be part of our universe. I would appreciate if you could email me or fax to me the 2003 financial statements of the company as soon as possible- My fax number is 613) 951-0661.

Thanks in advance for your time!

Regards,

Marlene S. Kabo
Subject Matter Officer- Accounting/Business
Agente specialisée- Comptabilité/entreprises
Public Institutions Division / Division des institutions publiques
Statistics Canada / Statistique Canada
RHC Bldg 20 -H
Phone: (613) 951-1815 / Fax: (613) 951-0661
E-mail: Marlene.Simeus-Kabo@statcan.ca

****
*** ACTIVITY REPORT ***
****

ST. TIME	CONNECTION TEL	CONNECTION ID	NO.	MODE	PGS.	RESULT
*01/07 15:33		GRAFTON UTILITY	6760	AUTO FAX RX ECM	1	OK 00'39
*01/07 15:51	7211696		0606	TRANSMIT ECM	2	OK 01'03
*01/07 16:34			6761	AUTO FAX RX G3	1	OK 00'58
*01/08 01:36			6762	AUTO FAX RX G3	4	OK 05'40
*01/08 22:53	5198535680		6763	AUTO FAX RX ECM	3	OK 01'58
*01/10 07:49	905 833 1159		6764	AUTO FAX RX ECM	0	NG 00'17
						0 ##201
*01/10 07:51	905 833 1159		6765	AUTO FAX RX ECM	1	OK 00'38
*01/10 08:39	7057286761		6766	AUTO FAX RX ECM	2	OK 01'09
*01/10 09:05		GRAFTON UTILITY	6767	AUTO FAX RX ECM	3	OK 01'13
*01/10 09:47	17053572815	MCG	0607	TRANSMIT ECM	7	OK 02'25
*01/10 12:46	705 357 2815		6768	AUTO FAX RX ECM	3	OK 00'53
*01/10 13:51	7266775		0608	TRANSMIT	0	NG 00'00
						0 #018
*01/10 14:13	7269208		0609	TRANSMIT ECM	2	OK 00'42
*01/10 14:55			6769	AUTO FAX RX G3	3	OK 01'30
*01/10 15:05	705 726 9208 ++++		6770	AUTO FAX RX ECM	1	OK 00'33
*01/17 11:46	17057467789		0610	TRANSMIT G3	0	NG 00'12
						0 #001
*01/17 11:48	17057467789		0611	TRANSMIT ECM	3	OK 01'09
*01/19 10:02	7399199		0612	TRANSMIT	0	NG 00'00
						0 STOP
*01/19 10:07	7399199		0613	TRANSMIT ECM	5	OK 02'27
*01/19 15:10	19054036913		0614	TRANSMIT ECM	1	OK 00'25
*01/20 08:53	4560344		0615	TRANSMIT ECM	1	OK 00'22
*01/21 09:43	4366636		0616	TRANSMIT ECM	1	OK 00'22
*01/28 10:11	7269208		0618	TRANSMIT ECM	1	OK 00'22
*01/28 10:13	7262214		0617	TRANSMIT ECM	1	OK 00'22
*01/31 14:33	14162418637		0619	TRANSMIT ECM	1	OK 00'36
*02/07 14:35	14167418384		0620	TRANSMIT	0	NG 00'00
						0 #018
*02/07 15:39	14167418384		0621	TRANSMIT G3	2	OK 01'29
*02/08 13:32	7394292		0622	TRANSMIT ECM	2	OK 01'01
*02/11 12:39	19057617306		0623	TRANSMIT ECM	1	OK 00'30
*02/15 15:45	4366636		0624	TRANSMIT ECM	3	OK 01'46
*02/16 16:16	19054036913		0625	TRANSMIT ECM	1	OK 00'25
*02/23 11:16	4366636		0626	TRANSMIT ECM	2	OK 01'06
*02/24 14:53	4366636		0627	TRANSMIT ECM	3	OK 01'21
*02/25 11:29	18886330405		0628	TRANSMIT ECM	2	OK 00'44
*02/25 13:23	14162186428		0629	TRANSMIT ECM	2	OK 00'40
*02/28 11:59	7399199		0630	TRANSMIT ECM	3	OK 00'59
*02/28 13:12	18883137373		0631	TRANSMIT	0	NG 00'00
						0 ##201
*02/28 13:16	18883137373		0631	TRANSMIT ECM	3	OK 00'45
03/01 09:53	16139510661		0632	TRANSMIT	0	NG 00'00
						0 STOP
03/01 09:54	16139510661		0633	TRANSMIT ECM	4	OK 01'02

Innisfil Hydro Distribution Systems Limited
Financial Statements
December 31, 2004

Grant Thornton

INNISFIL HYDRO
DISTRIBUTION SYSTEMS LIMITED

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Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member of
Grant Thornton International

Grant Thornton

Auditors' Report

To the Directors of
Innisfil Hydro Distribution Systems Limited

We have audited the balance sheet of Innisfil Hydro Distribution Systems Limited as at December 31, 2004 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2004 and the results of its operations and cash flows for year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Barrie, Canada
March 12, 2005

Chartered Accountants

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85 Bayfield Street
Barrie, Ontario
L4M 3A7
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Fax: (705) 730-6575
E-mail: Barrie@GrantThornton.ca

Innisfil Hydro Distribution Systems Limited
Statements of Earnings and Retained Earnings

Year Ended December 31	2004	2003
Revenue		
Sale of power	$ 14,504,235	$ 14,150,645
Distribution	5,436,305	5,576,102
	19,940,540	19,726,747
Cost of power		
Power purchased	14,504,235	14,206,027
Gross margin	5,436,305	5,520,720
Other revenue (Note 13)	581,235	591,037
Expenses		
Distribution	950,845	861,618
Billing and collecting	778,884	664,946
Administration	998,962	929,659
Depreciation	1,452,293	1,414,721
	4,180,984	3,870,944
Earnings from operations	1,836,556	2,240,813
Interest on long term debt	948,226	985,068
Earnings before payments in lieu of taxes	888,330	1,255,745
Payments in lieu of taxes (Note 11)	470,877	555,000
Net earnings	$ 417,453	$ 700,745
Retained earnings, beginning of year	$ 579,820	$ 79,075
Net earnings	417,453	700,745
Dividends	(238,000)	(200,000)
Retained earnings, end of year	$ 759,273	$ 579,820

See accompanying notes to the financial statements.

Innisfil Hydro Distribution Systems Limited
Balance Sheet

December 31	2004	2003
Assets		
Current		
Cash	$ 1,987,238	$ 2,473,714
Receivables	1,342,387	1,327,435
Due from related party (Note 3)	76,525	71,821
Notes due from related party (Note 3)	996,000	996,000
Unbilled revenue	2,749,463	2,566,537
Inventory	190,567	187,174
Income taxes recoverable	89,486	-
Prepaids	143,482	135,776
	7,575,148	7,758,457
Restricted cash - development charges (Note 5)	498,773	487,292
Property and equipment (Note 4)	16,729,066	17,167,869
Regulatory assets (Notes 6)	2,339,991	1,489,075
	$ 27,142,978	$ 26,902,693
Liabilities		
Current		
Bank indebtedness (Note 7)	$ 1,000,000	$ -
Payables and accruals	3,130,330	2,278,537
Customer credit balances and deposits	618,196	391,436
Income taxes payable	-	485,290
Due to related party (Note 3)	182,051	190,673
Current portion of long-term debt	399,000	1,091,645
	5,329,577	4,437,581
Customer and retailer deposits	202,169	378,459
Development charges (Note 5)	498,773	487,292
Long term debt (Notes 8 and 16)	9,187,444	9,853,799
	15,217,963	15,157,131
Shareholder's Equity		
Capital stock (Note 9)	10,852,444	10,852,444
Development charges transferred to equity	313,298	313,298
Retained earnings	759,273	579,820
	11,925,015	11,745,562
	$ 27,142,978	$ 26,902,693

Contingent liabilities (Note 12)

On Behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

Innisfil Hydro Distribution Systems Limited
Statement of Cash Flows

Year Ended December 31	2004	2003
Cash derived from (applied to)		
Operating		
Net earnings	$ 417,453	$ 700,745
Depreciation	1,452,293	1,414,721
	1,869,746	2,115,466
Customers and retailer deposits	(176,290)	49,088
Change in non-cash operating working capital	281,474	900,005
	1,974,930	3,064,559
Financing		
Banker acceptance advances	1,000,000	-
Capital contributions	359,401	609,099
Decrease in long term debt	(1,359,000)	(330,000)
	401	279,099
Investing		
Net additions to property and equipment	(1,372,891)	(942,846)
Net additions to regulatory assets	(850,916)	(369,354)
	(2,223,807)	(1,312,200)
Dividends	(238,000)	(200,000)
Net (decrease) increase in cash	(486,476)	1,831,458
Cash, beginning of year	2,473,714	642,256
Cash, end of year	$ 1,987,238	$ 2,473,714

Supplemental cash flow information		
Interest paid	$ 958,046	$ 992,718
Payments in lieu of taxes paid	641,210	227,585
Interest received	272,222	271,844

See accompanying notes to the financial statements.

1. Nature of operations

The company distributes electricity under license from the Ontario Energy Board ("OEB"). The Electricity Act, 1998 provides for a competitive marketplace in the sale of electricity. On December 9, 2002, the Province of Ontario enacted the Electricity Pricing, Conservation and Supply Act 2002 (Bill 210), which amended the Electricity Act, 1998 and other statutes for the purpose of implementing the Electricity Action Plan announced by the Premier of Ontario on November 11, 2002.

The Ontario Energy Board Act, 1998 conferred on the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity consumers, and the responsibility for ensuring that distribution companies fulfil obligations to connect and service customers. The OEB may also prescribe license requirements and conditions to electricity distributors, which may include among other things, specified accounting records, regulatory accounting principles, separation of accounts for distinct businesses and filing and process requirements for rate setting purposes.

2. Summary of significant accounting policies

Revenue recognition

Revenues are based on OEB approved unbundled rates and are recognized as power is delivered to customers. The company estimates the monthly revenue for the period based on customer's usage because customer meters are not generally read at the end of each month. Unbilled revenue is recognized for customer usage not billed at December 31, 2004.

Inventory

Inventory consists of repair parts, supplies and materials held for future capital expansion and is valued at lower of average cost and estimated net realizable value.

Rate-setting

The electricity distribution business is subject to rate regulation by the OEB. The OEB has the general power to include or exclude costs, revenues, losses or gains in the rates of a specific period, resulting in a change in the timing of accounting recognition from that which would have applied in an unregulated company. This change in timing gives rise to the recognition of regulatory assets and liabilities. These regulatory assets and liabilities reflect the fact that revenue and expenses are recognized in the financial statements in different periods consistent with their inclusion in rates, as directed by the regulator, than would be the case for an enterprise that is unregulated. Specific regulatory assets and liabilities recognized at December 31, 2004 are disclosed in Notes 6 and 14.

2. Summary of significant accounting policies (Continued)

Rate-setting (Continued)

In a letter dated December 19, 2003, the Minister of Energy granted approval for distributors to make application to the OEB with regard to rate recovery of certain distribution regulatory assets whose inclusion in rates was delayed by the Electricity Pricing, Conservation and Supply Act, 2002. These distribution regulatory assets are being recovered in distribution rates over four years, commencing April 1, 2004. The amount to be recovered will be subject to a yet to be determined OEB review and approval process.

The company continually assesses the likelihood of recovery of each of its regulatory assets and liabilities and believes that it is probable that its regulatory assets and liability will be factored into the setting of future rates. If future recovery through rates is no longer considered probable, the appropriate carrying amount will be written off in the period that the assessment is made.

The following regulatory treatments have resulted in accounting treatments differing from Canadian generally accepted accounting principles (GAAP) for enterprises operating in a non-regulated environment:.

- Market ready costs have been deferred in accordance with the criteria set out in the OEB Electricity Distribution Rate Handbook, the Accounting Procedures Handbook (APH) and in subsequent OEB guidelines. In the absence of such regulation, these costs would have been expensed when incurred under Canadian GAAP.

- The company has deferred certain retail settlement variance amounts under the provisions of Article 490 in the OEB Accounting Procedures Handbook.

Depreciation

Property and equipment are depreciated by the straight-line method over periods approximating their estimated useful lives as follows:

Land rights	50 years
Buildings	25 years
Distribution system	25 years
System supervisory equipment	15 years
Other capital assets	5-10 years
Computer equipment	5 years
Computer software	3 years
Contributions in aid of construction	25 years

2. Summary of significant accounting policies (Continued)

Depreciation (Continued)

When property and equipment is sold, the cost of the asset and the related accumulated depreciation is removed from the accounts with the resulting net gain or loss being included in operations for the year. When property and equipment is scrapped, the cost of the asset and the related accumulated depreciation is removed from the accounts with the resulting net gain or loss being deferred over the original remaining life of the asset.

Fixed assets retirement obligations

Canadian generally accepted accounting principles require the company to determine the fair value of the future expenditures required to settle legal obligations to remove fixed assets on retirement. If reasonably estimable, a liability is recognized equal to the present value of the estimated future removal expenditures. An equivalent amount is capitalized as an inherent cost of the associated fixed assets.

Some of the company's assets may have asset retirement obligations. As the company expects to use the majority of its fixed assets for an indefinite period, no removal date can be determined and, consequently, a reasonable estimate of the fair value of any asset retirement obligations have not been made at this time.

Corporate income and capital taxes

Under the Electricity Act, 1998, the company is required to make payments in lieu of corporate taxes to Ontario Electricity Financial Corporation (OEFC). These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998 and related regulations.

The company provides for payments in lieu of corporate income taxes relating to its regulated business using the taxes payable method as directed by the OEB. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the company at that time.

Use of estimates

In preparing the company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates.

3. Related party transactions

	2004	2003
The company had the following related party transactions:		
Innisfil Energy Services Limited ("IESL") - affiliated company controlled by shareholder		
Services provided	$ **42,971**	$ 44,420
Interest on advances	**38,278**	44,206
The Corporation of The Town of Innisfil ("Town") - shareholder		
Interest on advances	**891,673**	931,185
Electrical services	**904,474**	718,020
Dividends	**238,000**	200,000
Municipal taxes	**39,963**	37,919
Other	**26,748**	13,672
Balances outstanding at December 31:		
Due from Innisfil Energy Services Limited.	$ **76,525**	$ 71,821
Notes due from Innisfil Energy Services Limited	**996,000**	996,000
Note and debenture payable to Town	$ **9,586,444**	$ 9,949,444
Accrued interest, due to Town	**182,051**	190,673
Due from Town, receivables	**44,854**	69,410

The note due from IESL is secured by a General Security Agreement conveying first fixed and floating charges over the property, assets, rights and interests of IESL, is repayable upon demand, and bears interest at the prime rate of a Canadian chartered bank less 0.25% per annum, payable monthly. The note and interest thereon have been recorded in these financial statements at the carrying amounts, which were equal to historical cost or fair value. The interest rate represents fair value as advised by the company's bankers.

During the year, the company provided financial, management and accounting services to IESL in the amount of $42,971 (2003 - $44,420). These transactions have been recorded in these financial statements at the carrying amounts, which were equal to historical cost or fair value. Fair value represents fees for equivalent services provided to third parties in the normal course of operations as prescribed by regulation. At the end of the year, $76,525 (2003 - $71,821) was due from IESL.

The company provides electricity and services to the Town. These transactions are in the normal course of operations and are measured at the exchange amount, which is equal to fair value as prescribed by regulation. During the year, the company billed electricity and services to the Town in the amount of $904,474 (2003 - $718,020). At the end of the year, $44,854 (2003 - $69,410) was due for these services. During the year, the company paid municipal taxes of $39,963 (2003 - $37,919) and other expenses of $35,054 (2003 - $13,672) to the Town.

4. Property and equipment

	Cost	Accumulated Depreciation	2004 Net Book Value	2003 Net Book Value
Land	$ 484,399	$ -	**$ 484,399**	$ 484,399
Land rights	951,556	437,769	**513,787**	529,823
Building and fixtures	506,367	96,178	**410,189**	420,522
Distribution station equipment	2,797,014	1,641,515	**1,155,499**	1,215,448
Distribution system	30,684,205	15,481,705	**15,202,500**	15,391,326
System supervisory equipment	1,017,260	247,762	**769,498**	699,382
Other equipment	550,157	428,858	**121,299**	93,492
Computer hardware	513,895	409,267	**104,628**	66,762
Computer software	426,590	337,951	**88,639**	117,665
Contributions in aid of construction	(2,404,187)	(282,815)	**(2,121,372)**	(1,850,950)
	$ 35,527,256	$ 18,798,190	**$ 16,729,066**	$ 17,167,869

5. Development charges

In accordance with the Electricity Act, 1998, the company maintains a bank balance and a corresponding liability for development charges, which are to be expended on qualifying growth-related capital assets.

	2004	2003
Restricted cash	**$ 498,773**	$ 487,292

6. Regulatory assets

As described in Note 2, the company has recorded the following regulatory assets:

	2004	2003
Settlement variances	**$ 2,083,912**	$ 1,232,996
Transition costs - computer software	**256,079**	256,079
	$ 2,339,991	$ 1,489,075

7. Bank indebtedness

The company has available a committed credit facility in the amount of $3,000,000. The company used $1,144,016 (2003 - $1,114,016) by way of a bank letter of credit as described in Note 12. The letter of credit bears interest at the prime rate of a Canadian chartered bank less .25% per annum. The company has used $1,000,000 (2003 - $0) by way of 90 day bankers' acceptance which bear interest at prime plus a stamping fee of .5%. The facility is secured by a general security agreement conveying first fixed and floating charges over the property, assets, rights and interests of the company.

8. Long term debt

	2004	2003
Debentures payable to the Town	**$ 7,479,000**	$ 7,842,000
Note payable to the Town	**2,107,444**	2,107,444
Floating rate term loan	**-**	996,000
	9,586,444	10,945,444
Less: current portion	**399,000**	1,091,645
	$ 9,187,444	$ 9,853,799

The debentures are payable to the Town and bear interest at various rates ranging from 8.0% to 9.75. Principal payments are due annually on March 31 until 2015.

The note is payable to the Town and payments are interest only at 7.25%. The note is callable with one year plus one day's notice.

Principal payments due in each of the next five years are as follows:

2005	$ 399,000
2006	440,000
2007	485,000
2008	534,000
2009	589,000

9. Capital stock

	2004	2003
Authorized:		
The company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares.		
Issued:		
1,000 common shares	**$ 10,852,444**	$ 10,852,444

10. Public liability insurance

The company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE has provided comprehensive liability insurance to the company of $20,000,000 per occurrence.

11. Payments in lieu of taxes

The company is required to compute and remit to the OEFC payments in lieu of income taxes (PILS). PILS are computed in accordance with rules for computing income, capital and other taxes provided for in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by The Electricity Act, 1998 and related regulations.

	2004	2003
Income before provision for PILS	**$ 888,330**	$ 1,255,745
Federal and Ontario statutory income tax rates	**36.12%**	36.6%
Provision for PILS at statutory rate	**$ 320,865**	$ 459,854
Temporary differences		
Depreciation in excess of capital cost allowance	**193,868**	153,601
Adjustment of prior year's provisions	**(23,141)**	(31,013)
Other	**20,947**	8,332
Net temporary differences	**191,674**	130,920

11. Payments in lieu of taxes (Continued)

	2004	2003
Permanent differences		
Capital cost allowance on appraisal increment	**(43,171)**	(45,965)
Large Corporation Tax	-	10,191
Other	**1,509**	-
Net permanent differences	**(41,662)**	(35,774)
Provision for PILS	**$ 470,877**	$ 555,000
Effective income tax rate	**53.01%**	44.2%

Future income taxes relating to the regulated businesses have not been recorded in the accounts as they are expected to be recovered through future revenues.

12. Contingent liabilities

Security

Purchasers of electricity in Ontario, through the Independent Electricity Systems Operator (IESO formerly the Independent market Operator), are required to provide security to mitigate the risk of their default based on their expected activity in the market. The IESO could draw on these guarantees if the company fails to make a payment required by default notice issued by the IESO. The maximum potential payment is the face value of the bank letters of credit. As at December 31, 2004, the company provided prudential support using bank letters of credit of $1,144,016.

Statement of claim

A former employee has filed a statement of claim against the company. Management cannot determine the potential financial effects of this claim, if any, at this time.

Class action suit

A class action suit claiming $500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18,1998. The action was initiated against Toronto Hydro Electric Commission (Toronto Hydro-Electric Systems Limited) as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged late payment charges on overdue utility bills at any time after April 1,1981. The claim is that the late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the criminal code. The Electricity Distributor Association is undertaking the defence of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the company.

13. Other revenue

	2004	2003
Late payment charges	$ 77,099	$ 78,016
Interest	278,801	275,974
Pole rentals	120,697	127,413
Miscellaneous service revenues	53,228	56,584
Management fee charged to affiliate	42,971	44,420
Miscellaneous non-operating income	8,439	8,630
	$ 581,235	$ 591,037

14. Pre-market opening energy variance

The pre-market opening variance represents the difference between the company's purchased cost of power based upon time-of-use ("TOU") and OEB-approved unbundled cost of power rates to non-TOU customers, deemed effective January 1, 2001. For regulatory reporting purposes the company is required to record this variance in its accounts by increasing its cost of power to reflect a "flow through" of energy costs; however, the company did not actually bill or collect at these unbundled cost of power rates throughout the period as assumed by the APH.

The company decided not to record the variance for financial statement purposes. Had the company done so, the effect on the statement of earnings and retained earnings would be to decrease the cost of power purchased prior to May 1, 2002 by the amount of the variance for the relevant period, and to increase the gross margin, earnings from operations and earnings before payments in lieu of income taxes by the same amounts. On the balance sheet, the cumulative variance would have been recorded as a non-current regulatory assets for the relevant period as follows:

January 1, 2001 to December 31, 2001	$ 1,212,448
January 1, 2002 to April 30, 2002	(451,466)
	$ 760,982

15. Pension plan

The company makes contributions to Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer plan, on behalf of its staff. The plan is a contributory defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Effective January 2004, full contribution rates were made at rates ranging from 6% to 8.8% of employee contributory earnings, depending upon the level of earnings. As a result, the company made contributions in 2004 totaling $62,144 for the current service (2003- $19,915).

16. Fair value of financial instruments

The fair value of the financial instruments included in the financial statements, other than long-term debt, approximated their carrying amounts due to the short-term maturity and floating interest rates of these instruments. Management estimates that the fair value of long-term debt, including the current portion, is approximately $10,664,000, compared with the carrying amount in the financial statements of $9,586,444. The estimate is based upon a long-term interest rate of 7.25% per annum as at December 31, 2004.

Innisfil Hydro Distribution Systems Limited
Financial Statements
December 31, 2005

Grant Thornton

INNISFIL HYDRO DISTRIBUTION SYSTEMS LIMITED

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Chartered Accountants
Management Consultants
Canadian Member of
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Auditors' Report

To the Directors of
Innisfil Hydro Distribution Systems Limited

We have audited the balance sheet of Innisfil Hydro Distribution Systems Limited as at December 31, 2005 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2005 and the results of its operations and cash flows for year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Barrie, Canada
March 20, 2006

Chartered Accountants

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Innisfil Hydro Distribution Systems Limited
Statements of Earnings and Retained Earnings
Year Ended December 31

	2005	2004
Revenue		
Sale of power		
Distribution	$ 17,757,193	$ 14,504,235
Cost of power	5,508,051	5,436,305
Power purchased	23,265,244	19,940,540
Gross margin	17,757,193	14,504,235
Other revenue (Note 13)	5,508,051	5,436,305
Expenses	507,942	581,235
Distribution		
Billing and collecting	1,017,608	950,845
Administration	842,374	778,884
Amortization	902,825	998,962
	1,485,975	1,452,293
	4,248,782	4,180,984
Earnings from operations	1,767,211	1,836,556
Interest on long term debt	895,610	948,226
Earnings before payments in lieu of taxes	871,601	888,330
Payments in lieu of taxes (Note 11)	159,000	470,877
Net earnings	$ 712,601	$ 417,453
Retained earnings, beginning of year	$ 759,273	$ 579,820
Net earnings	712,601	417,453
Dividends	(328,000)	(238,000)
Retained earnings, end of year	$ 1,143,874	$ 759,273

See accompanying notes to the financial statements.

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Innisfil Hydro Distribution Systems Limited
Balance Sheet
December 31

	2005	2004
Assets		
Current		
Cash	$ 3,181,663	$ 1,987,238
Receivables	952,735	1,342,387
Due from related party (Note 3)	89,599	76,525
Notes due from related party (Note 3)	996,000	996,000
Unbilled revenue	2,751,169	2,749,463
Inventory	220,213	190,567
Income taxes recoverable	343,910	89,486
Prepaids	171,952	143,482
	8,707,241	7,575,148
Restricted cash - development charges (Note 5)	511,369	498,773
Property and equipment (Note 4)	16,293,843	16,729,066
Regulatory assets (Notes 6)	1,903,637	3,100,973
	$ 27,416,090	$ 27,903,960
Liabilities		
Current		
Bank indebtedness (Note 7)	$ 1,000,000	$ 1,000,000
Payables and accruals	1,962,462	3,130,330
Customer credit balances and deposits	846,016	618,196
Due to related party (Note 3)	172,575	182,051
Current portion of long-term debt	440,000	399,000
	4,421,053	5,329,577
Customer and retailer deposits	239,808	202,169
Development charges (Note 5)	511,368	498,773
Regulatory liabilities (Note 6)	1,186,801	760,982
Long term debt (Notes 8 and 16)	8,747,444	9,187,444
	15,106,474	15,978,945
Shareholder's Equity		
Capital stock (Note 9)	10,852,444	10,852,444
Development charges transferred to equity	313,298	313,298
Retained earnings	1,143,874	759,273
	12,309,616	11,925,015
	$ 27,416,090	$ 27,142,978

Contingent liabilities (Note 12)

On Behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

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Innisfil Hydro Distribution Systems Limited
Statement of Cash Flows
Year Ended December 31

	2005	2004
Increase (decrease) in cash and cash equivalents		
Operating		
Net earnings	$ 712,601	$ 417,453
Amortization	1,485,975	1,452,293
	2,198,576	1,869,746
Customers and retailer deposits	37,639	(176,290)
Change in non-cash operating working capital	(887,191)	281,474
	1,349,024	1,974,930
Financing		
Banker indebtness	-	1,000,000
Capital contributions	248,035	359,401
Dividends	(328,000)	(238,000)
Decrease in long term debt	(399,000)	(1,359,000)
	(478,965)	(237,599)
Investing		
Net (additions) to property and equipment	(1,298,789)	(1,372,891)
Net additions to regulatory liabilities	425,819	-
Net (additions) reduction to regulatory assets	1,197,336	(850,916)
	324,366	(2,223,807)
Net increase (decrease) in cash	1,194,425	(486,476)
Cash, beginning of year	1,987,238	2,473,714
Cash, end of year	$ 3,181,663	$ 1,987,238

Supplemental cash flow information		
Interest paid	$ 905,086	$ 958,046
Payments in lieu of taxes paid	466,144	641,210
Interest received	152,156	272,222

See accompanying notes to the financial statements.

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1. Nature of operations

The company distributes electricity under license from the Ontario Energy Board (OEB). The Electricity Act, 1998 provides for a competitive marketplace in the sale of electricity. The Ontario Energy Board Act, 1998 (Ontario) (OEBA) conferred on the Ontario Energy Board (OEB) increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity consumers, and the responsibility for ensuring that distribution companies fulfil obligations to connect and service customers. The OEB may also prescribe license requirements and conditions to electricity distributors, which may include among other things, specified accounting records, regulatory accounting principles, separation of accounts for distinct businesses and filing and process requirements for rate setting purposes.

2. Summary of significant accounting policies

Cash and cash equivalents

Cash, cash equivalents and restricted cash include cash and bank balances.

Revenue recognition

Revenues are based on OEB approved unbundled rates and are recognized as power is delivered to customers. The company estimates the monthly revenue for the period based on customer's usage because customer meters are not generally read at the end of each month. Unbilled revenue is recognized for customer usage not billed at December 31, 2005.

Inventory

Inventory consists of repair parts, supplies and materials held for future capital expansion and is valued at lower of average cost and estimated net realizable value.

Rate-setting

The electricity distribution business is subject to rate regulation by the OEB. The OEB has the general power to include or exclude costs, revenues, losses or gains in the rates of a specific period, resulting in a change in the timing of accounting recognition from that which would have applied in an unregulated company. This change in timing gives rise to the recognition of regulatory assets and liabilities. These regulatory assets and liabilities reflect the fact that revenue and expenses are recognized in the financial statements in different periods consistent with their inclusion in rates, as directed by the regulator, than would be the case for an enterprise that is unregulated. Specific regulatory assets and liabilities recognized at December 31, 2005 are disclosed in Notes 6.

2. Summary of significant accounting policies (Continued)

Rate-setting (Continued)

In a letter dated December 19, 2003, the Minister of Energy granted approval for distributors to make application to the OEB with regard to rate recovery of certain distribution regulatory assets whose inclusion in rates was delayed by the Electricity Pricing, Conservation and Supply Act, 2002. These distribution regulatory assets are being recovered in distribution rates over four years, commencing April 1, 2004. The amount to be recovered will be subject to a yet to be determined OEB review and approval process. In 2005, the OEB initiated a process to establish approved rates for electricity distributors based on updated revenue requirements, with the intent that these new rates would be effective May 1, 2006. As part of this process, the company submitted evidence to the OEB for final review.

The company continually assesses the likelihood of recovery of each of its regulatory assets and liabilities and believes that it is probable that its regulatory assets and liability will be factored into the setting of future rates. If future recovery through rates is no longer considered probable, the appropriate carrying amount will be written off in the period that the assessment is made.

Market ready costs have been deferred in accordance with the criteria set out in the OEB Electricity Distribution Rate Handbook, the Accounting Procedures Handbook (APH) and in subsequent OEB guidelines. In the absence of such regulation, these costs would have been expensed when incurred under Canadian GAAP.

Amortization

Property and equipment are amortized using the straight-line method over periods approximating their estimated useful lives as follows:

Land rights	50 years
Buildings	25 years
Distribution system	25-30 years
System supervisory equipment	15 years
Other equipment	5-10 years
Computer equipment	5 years
Computer software	3 years
Contributions in aid of construction	25 years

2. Summary of significant accounting policies (Continued)

Amortization (Continued)

When property and equipment is sold, the cost of the asset and the related accumulated amortization is removed from the accounts with the resulting net gain or loss being included in operations for the year. When property and equipment is scrapped, the cost of the asset and the related accumulated depreciation is removed from the accounts with the resulting net gain or loss being deferred over the original remaining life of the asset.

Fixed assets retirement obligations

Canadian generally accepted accounting principles require the company to determine the fair value of the future expenditures required to settle legal obligations to remove fixed assets on retirement. If reasonably estimable, a liability is recognized equal to the present value of the estimated future removal expenditures. An equivalent amount is capitalized as an inherent cost of the associated fixed assets.

Some of the company's assets may have asset retirement obligations. As the company expects to use the majority of its fixed assets for an indefinite period, no removal date can be determined and, consequently, a reasonable estimate of the fair value of any asset retirement obligations have not been made at this time.

Corporate income and capital taxes

Under the Electricity Act, 1998, the company is required to make payments in lieu of corporate taxes to Ontario Electricity Financial Corporation (OEFC). These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by the Electricity Act, 1998 and related regulations.

The company provides for payments in lieu of corporate income taxes relating to its regulated business using the taxes payable method as directed by the OEB. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. When unrecorded future income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the company at that time. This regulation accounting treatment differs from Canadian generally accepted accounting principles for enterprises operating in a non-regulated environment.

2. Summary of significant accounting policies (Continued)

Use of estimates

In preparing the company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates.

3. Related party transactions

The company had the following related party transactions:

	2005	2004
Innisfil Energy Services Limited ("IESL") - affiliated company controlled by shareholder		
Services provided	$ 46,914	$ 42,971
Interest on advances	41,621	38,278
The Corporation of The Town of Innisfil ("Town") - shareholder		
Interest on advances		
Electrical services	852,566	891,673
Professional services	922,532	904,474
Dividends	72,452	12,785
Municipal taxes	328,000	238,000
Other	39,612	39,963
	41,840	26,748

Balances outstanding at December 31:

Due from Innisfil Energy Services Limited.	$ 89,599	$ 76,525
Notes due from Innisfil Energy Services Limited	996,000	996,000
Note and debenture payable to Town	$ 9,187,444	$ 9,586,444
Accrued interest, due to Town	172,575	182,051
Due from Town, included in receivables	30,143	44,854

The note due from IESL is secured by a General Security Agreement conveying first fixed and floating charges over the property, assets, rights and interests of IESL, is repayable upon demand, and bears interest at the prime rate of a Canadian chartered bank less 0.25% per annum, payable monthly. The note and interest thereon have been recorded in these financial statements at the carrying amounts, which were equal to historical cost or fair value. The interest rate represents fair value as advised by the company's bankers.

3. Related party transactions (Continued)

During the year, the company provided financial, management and accounting services to IESL in the amount of $46,914 (2004 - $42,971). These transactions have been recorded in these financial statements at the carrying amounts, which were equal to historical cost or fair value. Fair value represents fees for equivalent services provided to third parties in the normal course of operations as prescribed by regulation. At the end of the year, $89,599 (2004 - $76,525) was due from IESL.

The company provides electricity and services to the Town. These transactions are in the normal course of operations and are measured at the exchange amount, which is equal to fair value as prescribed by regulation. During the year, the company billed electricity and services to the Town in the amount of $922,532 (2004 - $904,474) and professional services in the amount of $72,452 (2004 - $12,785). At the end of the year, $30,143 (2004 - $44,854) was due for these services. During the year, the company paid municipal taxes of $39,612 (2004 - $39,963) and other expenses of $41,840 (2004 - $26,748) to the Town.

4. Property and equipment

			2005	2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 484,399	$ -	**$ 484,399**	$ 484,399
Land rights	951,556	456,801	**494,755**	513,787
Building and fixtures	514,290	116,590	**397,700**	410,189
Distribution station equipment	2,801,520	1,730,782	**1,070,738**	1,155,499
Distribution system	31,676,024	16,685,690	**14,990,334**	15,202,500
System supervisory equipment	1,051,709	317,014	**734,695**	769,498
Other equipment	647,617	465,624	**181,993**	121,299
Computer hardware	534,634	445,193	**89,441**	104,628
Computer software	528,843	410,776	**118,067**	88,639
Contributions in aid of construction	(2,652,222)	(383,943)	**(2,268,279)**	(2,121,372)
	$ 36,538,370	$ 20,244,527	**$ 16,293,843**	$ 16,729,066

5. Development charges

In accordance with the Electricity Act, 1998, the company maintains a bank balance and a corresponding liability for development charges, which are to be expended on qualifying growth-related capital assets.

	2005	2004
Restricted cash	**$ 511,369**	$ 498,773

6. Regulatory assets and liabilities

As described in Note 2, the company has recorded the following regulatory assets and liabilities

	2005	2004
Regulatory assets		
Settlement variances		
Pre-market opening energy variance	$ 2,070,782	$ 2,503,113
Qualifying market transition costs	963,364	760,982
Other regulatory assets	291,820	256,079
	298,470	119,065
	3,624,436	3,639,239
Amounts recovered though rates	(1,720,799)	(538,266)
	$ 1,903,637	$ 3,106,973
Regulatory liabilities		
Pre-market opening energy variance	$ 760,982	$ 760,982
Other regulatory liabilities	503,459	-
	1,264,441	760,982
Repayments	(77,640)	-
	$ 1,186,801	$ 760,982

The pre-market opening energy variance account has been established for the purpose of recording the estimated difference between the company's purchased cost of power based on time-of-use and amounts billed to non-time-of-use customers charged at an average rate for the same period starting January 1, 2001 and ending May 1, 2002. The company has recorded an asset and a corresponding allowance. This amount is subject to approval by the OEB as part of their overall review of the company's rate application currently before the OEB to come into effect May 1, 2006. The company will record this amount as revenue upon approval by the OEB.

7. Bank indebtedness

The company has available a committed credit facility in the amount of $3,000,000. The company used $1,144,016 (2004 - $1,144,016) by way of a bank letter of credit as described in Note 12. The letter of credit bears interest at the prime rate of a Canadian chartered bank less .25% per annum. The company has used $1,000,000 (2004 - $1,000,000) by way of 90 day bankers' acceptance which bear interest at prime plus a stamping fee of .5%. The facility is secured by a general security agreement conveying first fixed and floating charges over the property, assets, rights and interests of the company.

8. Long term debt

	2005	2004
Debentures payable to the Town	$ 7,080,000	$ 7,479,000
Note payable to the Town	2,107,444	2,107,444
	9,187,444	9,586,444
Less: current portion	440,000	399,000
	$ 8,747,444	$ 9,187,444

The debentures are payable to the Town and bear interest at various rates ranging from 8.0% to 9.75%. Principal payments are due annually on March 31 until 2015.

The note is payable to the Town and payments are interest only at 7.25%. The note is callable with one year plus one day's notice, due December 31, 2007.

Principal payments due in each of the next five years are as follows:

2006	$ 440,000
2007	485,000
2008	534,000
2009	589,000
2010	650,000

9. Capital stock

	2005	2004
Authorized:		
The company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares.		
Issued:		
1,000 common shares	$ 10,852,444	$ 10,852,444

10. Public liability insurance

The company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE), which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other through the same attorney. MEARIE has provided comprehensive liability insurance to the company of $20,000,000 per occurrence.

11. Payments in lieu of taxes

The company is required to compute and remit to the OEFC payments in lieu of income taxes (PILS). PILS are computed in accordance with rules for computing income, capital and other taxes provided for in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) as modified by The Electricity Act, 1998 and related regulations.

	2005	2004
Income before provision for PILS	$ 871,601	$ 888,330
Federal and Ontario statutory income tax rates	36.12%	36.12%
Provision for PILS at statutory rate	$ 314,822	$ 320,865
Temporary differences		
Amortization in excess of capital cost allowance	192,079	193,868
Net regulatory assets not deducted for accounting	(254,112)	-
Adjustment of prior year's provisions	(1,648)	(23,141)
Other	(21,027)	20,947
Net temporary differences	(84,708)	191,674
Permanent differences		
Capital cost allowance on appraisal increment	(40,745)	(43,171)
Small business deduction	(34,000)	-
Other	3,616	1,509
Net permanent differences	(71,129)	(41,662)
Provision for PILS	$ 158,985	$ 470,877
Effective income tax rate	18.24%	53.01%

12. Contingent liabilities

Security

Purchasers of electricity in Ontario, through the Independent Electricity Systems Operator (IESO) are required to provide security to mitigate the risk of their default based on their expected activity in the market. The IESO could draw on these guarantees if the company fails to make a payment required by default notice issued by the IESO. The maximum potential payment is the face value of the bank letters of credit. As at December 31, 2005, the company provided prudential support using bank letters of credit of $1,144,016.

Class action suit

A class action suit claiming $500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18,1998. The action was initiated against Toronto Hydro Electric Commission (Toronto Hydro-Electric Systems Limited) as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged late payment charges on overdue utility bills at any time after April 1,1981. The claim is that the late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the criminal code. The Electricity Distributor Association is undertaking the defence of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the company.

Application of entitlement

There is currently a proposed application being developed to be sent to the Supreme Court of Justice for determination for entitlement of Economic Evaluation contributions. At this time it is not possible to quantify the effect, if any, on the financial statements of the company.

Labour union

The Labourers' International Union of North America, Canadian Union of Skilled Workers and Power Workers Union have brought an appeal before the Ontario Labour Relations Board to enforce bargaining rights on the company. A hearing has been scheduled in March 2006 for this matter. The amounts and merits of the claims cannot be determined at this time; therefore no liability has been recorded.

13. Other revenue

	2005	2004
Late payment charges	$ 87,298	$ 77,099
Interest	161,953	278,801
Pole rentals	136,333	120,697
Miscellaneous service revenues	51,868	53,228
Management fee charged to affiliate	47,274	42,971
Miscellaneous non-operating income	23,216	8,439
	$ 507,942	$ 581,235

14. Pension plan

The company makes contributions to Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer plan, on behalf of its staff. The plan is a contributory defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Effective January 2004, full contribution rates were made at rates ranging from 6% to 8.8% of employee contributory earnings, depending upon the level of earnings. As a result, the company made contributions in 2005 totaling $81,109 for the current service (2004- $62,144).

15. Financial instruments

The company's financial instruments consist of receivables, unbilled revenue, due to (from) related party, bank indebtedness, payables and accruals, customer and retailer deposits and long-term debt. 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 value of these financial instruments approximate their carrying values, unless otherwise noted.

16. Comparative figures

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

Tab 3 – LRAM Supporting Documentation

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Innisfil Hydro Distribution Systems Limited

LRAM Support

November 10, 2011

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

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Attachments

Attachment A – CDM Load Impacts by Class and Program

Attachment B - LRAM Amounts

Attachment C – LRAM Totals

Attachment D - OPA Assumptions

1. Introduction

With success in its CDM activities, Innisfil Hydro Distribution Systems Limited (Innisfil Hydro) has lost revenues that need to be addressed as part of its 2012 rates submission to the Ontario Energy Board (OEB). This process will ensure that future CDM investments are sustainable in the long term by becoming a standard element in future rate filings.

The Ontario Energy Board (OEB) introduced a process outlined in the March 28, 2008 Guidelines for Electricity Distributor Conservation and Demand Management EB-2008-0037) ("CDM Guidelines") for rate-based applications to recover revenues lost to customer energy conservation, and to share in gains from effective CDM programs prior to the completion of Third Tranche CDM programs. The mechanism developed by the OEB to calculate lost revenue for savings is the Lost Revenue Adjustment Mechanism (LRAM).

2. Scope

Innisfil Hydro requested that Burman Energy Consultants Group Inc. (Burman Energy) prepare and critically assess an additional LRAM claim for program results to the end of 2010. The most recently published OPA 2010 Final CDM Results Summary, released September 16, 2011, were used to calculate LRAM amounts.

Burman Energy committed to providing the following:

1. Review available suitability of published Innisfil Hydro data for determining appropriate input assumptions.

2. Prepare and finalize LRAM calculations and assumptions consistent with CDM Guidelines and suitable for inclusion in Innisfil Hydro' 2012 IRM3 application, with supporting details.

3. Produce a report, recommendations, and support related to LRAM assessments/findings.

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

3. LRAM Principles

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

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

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

4. Process

In calculating LRAM, Burman Energy:

1. Reviewed existing LRAM CDM Guidelines and precedents set through LDC submissions to the OEB, to identify the most prudent course for Innisfil Hydro LRAM.

2. Sought counsel within OEB staff to validate assumptions and processes to complete LRAM submission consistent with other LDC submissions.

3. Reviewed Innisfil Hydro's CDM program results and input assumptions.

4. Verified correct input assumptions were applied in LRAM calculations.

5. Prepared report and recommendations related to LRAM calculations consistent with OEB CDM Guidelines which are in the accompanying documentation.

5. Results

A review of Innisfil Hydro' CDM program supporting data verified that documentation exists to support the use of OPA program evaluations as the basis for LRAM calculations. Input assumptions and free ridership rates for the 2010 program were not provided in the September 16, 2011 OPA 2010 Final CDM Results Summary. These input assumptions will be updated once the 2010 Final CDM Results Detailed report is released. Input assumptions and free ridership rates for 2006-2009 programs are identified in Attachment D

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

Rate Class	LRAM $
Residential	$146,882.28
General Service Less than 50 kW	$18,234.84
General Service 50 to 999 kW	$15,132.91
	$180,250.03

6. Calculation of LRAM

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

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

The sum of all program LRAM calculations, including OPA sponsored programs is $180,250.03

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

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

7. Recommendations

Burman Energy recommends the following:

1. LRAM amounts arising from CDM programs in each rate class be allocated to that class for recovery.

2. Prepare adjustments to account for any kW/kWh savings amounts included in current load forecasts.

3. Rate impacts, proposed rate riders and respective terms to mitigate LRAM recovery be addressed by Innisfil Hydro

ATTACHMENT B

CDM Load Impacts by Class and Program

Class Program	Year Implemented	2008		Persistant values from 2006-2008 2009				2009				2010				2011				
		kWh or kW	Rate per Unit	Load Unit	kWh or kW	Rate per Unit	Revenue	Load Unit	kWh or kW	Rate per Unit	Revenue	Load Unit	kWh or kW	Rate per Unit	Revenue	Load Unit	kWh or kW	Rate per Unit	Revenue	Total Revenue
Residential																				
Secondary Fridge Retirement Pilot	**2006**	kWh	0.0155	21,809	kWh	0.0208	$ 302.42	0	kWh	0.0208	$ -	21,809	kWh	0.0186	$ 421.64	21,809	kWh	0.0186	$ 405.65	**$ 1,129.70**
Cool & Hot Savings Rebate	**2006-2007**	kWh	0.0155	137,058	kWh	0.0208	$ 1,900.53	0	kWh	0.0208	$ -	137,058	kWh	0.0186	$ 2,649.78	137,058	kWh	0.0186	$ 2,549.27	**$ 7,099.59**
Every Kilowatt Counts	**2006-2007**	kWh	0.0155	1,889,703	kWh	0.0208	$ 26,203.88	0	kWh	0.0208	$ -	672,870	kWh	0.0186	$ 13,008.82	672,870	kWh	0.0186	$ 12,515.38	**$ 51,728.08**
Great Refrigerator Roundup	**2007-2010**	kWh	0.0155	257,332	kWh	0.0208	$ 3,568.34	184,565	kWh	0.0208	$ 3,512.88	624,373	kWh	0.0186	$ 12,071.22	624,063	kWh	0.0186	$ 11,607.57	**$ 30,760.01**
Summer Savings	**2007**	kWh	0.0155	16,895	kWh	0.0208	$ 234.27	0	kWh	0.0208	$ -	16,895	kWh	0.0186	$ 326.63	16,895	kWh	0.0186	$ 314.24	**$ 875.14**
peaksaver®	**2008-2010**	kWh	0.0155	1,359	kWh	0.0208	$ 18.84	62	kWh	0.0208	$ 1.19	1,563	kWh	0.0186	$ 30.22	1,563	kWh	0.0186	$ 29.07	**$ 79.32**
Social Housing – Pilot	**2007**	kWh	0.0155	45,340	kWh	0.0208	$ 628.72	0	kWh	0.0208	$ -	45,340	kWh	0.0186	$ 876.58	45,340	kWh	0.0186	$ 843.33	**$ 2,348.62**
Cool Savings Rebate Program	**2007-2008**	kWh	0.0155	90,959	kWh	0.0208	$ 1,261.30	115,437	kWh	0.0208	$ 2,197.15	248,422	kWh	0.0186	$ 4,802.82	248,422	kWh	0.0186	$ 4,620.64	**$ 12,881.91**
Every Kilowatt Counts Power Savings Event	**2008-2010**	kWh	0.0155	459,722	kWh	0.0208	$ 6,374.82	200,727	kWh	0.0208	$ 3,820.51	727,017	kWh	0.0186	$ 14,055.66	727,017	kWh	0.0186	$ 13,522.52	**$ 37,773.51**
Summer Sweepstakes	**2008**	kWh	0.0155	42,595	kWh	0.0208	$ 590.65	0	kWh	0.0208	$ -	42,595	kWh	0.0186	$ 823.50	42,595	kWh	0.0186	$ 792.26	**$ 2,206.40**
General Service Less than 50 kW																				
High Performance New Construction	**2008-2010**	kWh	0.0121	277	kWh	0.0119	$ 2.20	9,106	kWh	0.0119	$ 108.97	42,279	kWh	0.0092	$ 427.02	42,279	kWh	0.0085	$ 369.24	**$ 907.42**
Power Savings Blitz	**2008-2010**	kWh	0.0121	0	kWh	0.0119	$ -	413,562	kWh	0.0119	$ 4,948.95	650,920	kWh	0.0092	$ 6,574.29	650,920	kWh	0.0085	$ 5,684.70	**$ 17,207.95**
peaksaver® for Business	**2010**	kWh	0.0121	0	kWh	0.0119	$ -	0	kWh	0.0119	$ -	26	kWh	0.0092	$ 0.26	0	kWh	0.0085	$ -	**$ 0.26**
Multifamily Energy Efficiency Rebates	**2009-2010**	kWh	0.0121	0	kWh	0.0119	$ -	0	kWh	0.0119	$ -	11,803	kWh	0.0092	$ 119.21	0	kWh	0.0085	$ -	**$ 119.21**
General Service 50 to 999 kW																				
Electricity Retrofit Incentive Program	**2007-2010**	kW	3.3571	14.87	kW	4.1267	$ 490.95	80.45	kW	4.1267	$ 3,736.47	95.33	kW	3.135	$ 3,964.37	95.33	kW	2.9491	$ 3,444.42	**$ 11,636.21**
Demand Response 1	**2006-2009**	kW	3.3571	0.00	kW	4.1267	$ -	180.34	kW	4.1267	$ 744.20	0.00	kW	3.135	$ -	0.00	kW	2.9491	$ -	**$ 744.20**
Demand Response 2	**2009-2010**	kW	3.3571	0.00	kW	4.1267	$ -	122.45	kW	4.1267	$ 505.33	133.00	kW	3.135	$ 416.96	0.00	kW	2.9491	$ -	**$ 922.29**
Demand Response 3	**2008-2010**	kW	3.3571	0.00	kW	4.1267	$ -	174.93	kW	4.1267	$ 721.90	281.31	kW	3.135	$ 881.92	0.00	kW	2.9491	$ -	**$ 1,603.83**
Renewable Energy Stand Offer	**20087-2009**	kW	3.3571	0.00	kW	4.1267	$ -	0.00	kW	4.1267	$ -	0.00	kW	3.135	$ -	0.00	kW	2.9491	$ -	**$ -**
Loblaw & York Region Demand Response	**2008-2009**	kW	3.3571	0.00	kW	4.1267	$ -	30.06	kW	4.1267	$ 124.04	32.65	kW	3.135	$ 102.35	0.00	kW	2.9491	$ -	**$ 226.39**

$ 180,250.03

Tab 4 – Shared Tax Savings Workform

V1.2

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Hydro One Remote Communities Inc.
Innisfil Hydro Distribution Systems Lim

Choose Your Utility:

Application EB-2011-0176
OEB Application IRM3
LDC Licence #: ED-2002-0520

Application Contact Information

Name:	Brenda L Pinke
Title:	Regulatory/CDM Manager
Phone Number:	705-431-6870 Ext 262
Email Address:	brendap@innisfilhydro.com
We are applying for rates effective:	May 1, 2012
Last COS Re-based Year	2009

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION

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1. Info

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3. Re-Based Billing Determinants and Rates

4. Re-Based Revenue from Rates

5. Z-Factor Tax Changes

6. Calculation of Tax Change Variable Rate Rider

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Innisfil Hydro Distribution Systems Limited

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

Last COS Re-based Year was in 2009

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	13,512	155,528,870		19.05	0.0186	
GSLT50	General Service Less Than 50 kW	Customer	kWh	827	31,359,068		28.60	0.0085	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	72	40,258,708	115,345	317.84		2.9491
SL	Street Lighting	Connection	kW	2,810	1,552,371	4,924	5.34		36.9807
Sen	Sentinel Lighting	Connection	kW	193	123,512	344	7.57		34.4916
USL	Unmetered Scattered Load	Connection	kWh	85	562,039		23.30	0.0393	
NA	Rate Class 7	NA	NA						
NA	Rate Class 8	NA	NA						
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Innisfil Hydro Distribution Systems Limited

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

Last COS Re-based Year was in 2009

Rate Class	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F	Service Charge Revenue G = A * D *12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Revenue Requirement from Rates J = G + H + I
Residential	13,512	155,528,870	0	19.05	0.0186	0.0000	3,088,843	2,892,837	0	5,981,680
General Service Less Than 50 kW	827	31,359,068	0	28.60	0.0085	0.0000	283,826	266,552	0	550,378
General Service 50 to 4,999 kW	72	40,258,708	115,345	317.84	0.0000	2.9491	274,614	0	340,164	614,778
Street Lighting	2,810	1,552,371	4,924	5.34	0.0000	36.9807	180,065	0	182,093	362,158
Sentinel Lighting	193	123,512	344	7.57	0.0000	34.4916	17,532	0	11,865	29,397
Unmetered Scattered Load	85	562,039	0	23.30	0.0393	0.0000	23,766	22,088	0	45,854
							3,868,646	3,181,477	534,122	7,584,245

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Innisfil Hydro Distribution Systems Limited

This worksheet calculates the tax sharing amount.

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

Summary - Sharing of Tax Change Forecast Amounts

For the 2009 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	$ -

1. Tax Related Amounts Forecast from Capital Tax Rate Changes	**2009**	**2012**
Taxable Capital	$ 24,516,277	$ 24,516,277
Deduction from taxable capital up to $15,000,000	$ 15,000,000	$ 15,000,000
Net Taxable Capital	$ 9,516,277	$ 9,516,277
Rate	0.225%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	**$ 21,412**	**$ -**

2. Tax Related Amounts Forecast from Income Tax Rate Changes	**2009**	**2012**
Regulatory Taxable Income	$ 999,403	$ 999,403
Corporate Tax Rate	30.90%	22.87%
Tax Impact	$ 308,528	$ 228,583
Grossed-up Tax Amount	**$ 446,308**	**$ 296,369**

Tax Related Amounts Forecast from Capital Tax Rate Changes	$ 21,412	$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	$ 446,308	$ 296,369
Total Tax Related Amounts	**$ 467,720**	**$ 296,369**
Incremental Tax Savings		**-$ 171,351**
Sharing of Tax Savings (50%)		**-$ 85,675**

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Innisfil Hydro Distribution Systems Limited

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

Rate Class	Total Revenue $ by Rate Class	Total Revenue % by Rate Class	Total Z-Factor Tax Change$ by Rate Class	Billed kWh	Billed kW	Distribution Volumetric Rate kWh Rate Rider	Distribution Volumetric Rate kW Rate Rider
	A	B = A / $H	C = $I * B	D	E	F = C / D	G = C / E
Residential	$5,981,680.1820	78.87%	-$67,572	155,528,870	0	-$0.0004	
General Service Less Than 50 kW	$550,378	7.26%	-$6,217	31,359,068	0	-$0.0002	
General Service 50 to 4,999 kW	$614,778	8.11%	-$6,945	40,258,708	115,345		-$0.0602
Street Lighting	$362,158	4.78%	-$4,091	1,552,371	4,924		-$0.8309
Sentinel Lighting	$29,397	0.39%	-$332	123,512	344		-$0.9654
Unmetered Scattered Load	$45,854	0.60%	-$518	562,039	0	-$0.0009	
	$7,584,245	100.00%	-$85,675				
	H		-				
			I				

Tab 5 – Retail Transmission Service Rates Workform

Choose Your Utility:

Hydro Ottawa Limited

Innisfil Hydro Distribution Systems Limited

Application T

OEB Applicati

LDC Licer

Application Contact Information

Name:	Brenda L Pinke
Title:	Regulatory/CDM Manager
Phone Number:	705-431-6870 Ext 262
Email Address:	brendap@innisfilhydro.com

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V2.1

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Type:	IRM3	Last COS OEB Application #:	EB-2008-0233
on #:	EB-2011-0176	Last COS Re-Basing Year:	2009
nce #:	ED-2002-0520		

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Innisfil Hydro Distribution Systems Limited - EB-2011-0176 - IRM

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11. Adj N

12. Adj C

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

3

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Innisfil Hydro Distribution Systems Limited - EB-2011-0176 - IRM3

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

Rate Class

Residential
General Service Less Than 50 kW
General Service 50 to 4,999 kW
General Service 50 to 4,999 kW – Interval Metered
Unmetered Scattered Load
Sentinel Lighting
Street Lighting
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
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Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

proved Tariff of Rates and Charges.
es and Charges

Unit	RTSR - Network	RTSR - Connection
kWh	$ 0.0061	$ 0.0049
kWh	$ 0.0055	$ 0.0045
kW	$ 2.6380	$ 1.7728
kW	$ 2.1926	$ 2.5994
kWh	$ 0.0055	$ 0.0045
kW	$ 1.7159	$ 1.3990
kW	$ 1.7072	$ 1.3703

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Innisfil Hydro Distribution Systems Limited - EB-2011-0176 - IRM3

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

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh
Residential	kWh	159,406,547		1.0746		171,298,275
General Service Less Than 50 kW	kWh	31,366,364		1.0746		33,706,295
General Service 50 to 4,999 kW	kW		82,212			
General Service 50 to 4,999 kW – Interval Metered	kW		73,070		0.00%	-
Unmetered Scattered Load	kWh	530,509		1.0746		570,085

Sentinel Lighting	**kW**	350
Street Lighting	**kW**	4,716

Billed kW
-
-
82,212
73,070
-

350

4,716

Uniform Transmission Rates	Unit
Rate Description	
Network Service Rate	kW
Line Connection Service Rate	kW
Transformation Connection Service Rate	kW

Hydro One Sub-Transmission Rates	Unit
Rate Description	
Network Service Rate	kW
Line Connection Service Rate	kW
Transformation Connection Service Rate	kW
Both Line and Transformation Connection Service Rate	kW

Hydro One Sub-Transmission Rate Rider 6A	Unit

Rate Description	
RSVA Transmission network – 4714 – which affects 1584	kW
RSVA Transmission connection – 4716 – which affects 1586	kW
RSVA LV – 4750 – which affects 1550	kW
RARA 1 – 2252 – which affects 1590	kW
Hydro One Sub-Transmission Rate Rider 6A	kW

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate	Rate	Rate
$ 2.97	$ 3.22	$ 3.22
$ 0.73	$ 0.79	$ 0.79
$ 1.71	$ 1.77	$ 1.77

Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate	Rate	Rate
$ 2.65	$ 2.65	$ 2.65
$ 0.64	$ 0.64	$ 0.64
$ 1.50	$ 1.50	$ 1.50
$ 2.14	$ 2.14	$ 2.14

Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012

	Rate		Rate		Rate
$	0.0470	$	0.0470	$	0.0470
-$	0.0250	-$	0.0250	-$	0.0250
$	0.0580	$	0.0580	$	0.0580
-$	0.0750	-$	0.0750	-$	0.0750
$	0.0050	$	0.0050	$	0.0050

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Innisfil Hydro Distribution Systems Limited - EB-2011-0176 - IRM3

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

IESO

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January		$0.00			$0.00			$0.00		$ -
February		$0.00			$0.00			$0.00		$ -
March		$0.00			$0.00			$0.00		$ -
April		$0.00			$0.00			$0.00		$ -
May		$0.00			$0.00			$0.00		$ -
June		$0.00			$0.00			$0.00		$ -
July		$0.00			$0.00			$0.00		$ -
August		$0.00			$0.00			$0.00		$ -
September		$0.00			$0.00			$0.00		$ -
October		$0.00			$0.00			$0.00		$ -
November		$0.00			$0.00			$0.00		$ -
December		$0.00			$0.00			$0.00		$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

HYDRO ONE

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	47,197	$2.24	$ 105,721	47,197	$0.60	$ 28,318	47,197	$1.39	$ 65,604	$ 93,922
February	44,603	$2.24	$ 99,911	44,700	$0.60	$ 26,820	44,700	$1.39	$ 62,133	$ 88,953
March	38,165	$2.24	$ 85,490	39,074	$0.60	$ 23,444	39,074	$1.39	$ 54,313	$ 77,757
April	27,801	$2.24	$ 62,274	28,097	$0.60	$ 16,858	28,097	$1.39	$ 39,055	$ 55,913
May	46,927	$2.65	$ 124,357	47,066	$0.60	$ 30,122	47,066	$1.50	$ 70,599	$ 100,721
June	39,035	$2.65	$ 103,602	39,095	$0.60	$ 25,021	39,095	$1.50	$ 58,643	$ 83,663
July	40,130	$2.65	$ 106,345	40,130	$0.60	$ 25,683	40,130	$1.50	$ 60,195	$ 85,878
August	65,307	$2.65	$ 173,064	73,663	$0.60	$ 47,144	73,663	$1.50	$ 110,495	$ 157,639
September	32,540	$2.65	$ 86,231	33,158	$0.60	$ 21,221	33,158	$1.50	$ 49,737	$ 70,958
October	40,736	$2.65	$ 107,950	41,115	$0.60	$ 26,314	41,115	$1.50	$ 61,673	$ 87,986
November	37,599	$2.65	$ 99,637	38,351	$0.60	$ 24,545	38,351	$1.50	$ 57,527	$ 82,071
December	50,446	$2.65	$ 133,682	50,527	$0.60	$ 32,337	50,527	$1.50	$ 75,791	$ 108,128
Total	510,486	$ 2.52	$ 1,288,263	522,173	$ 0.63	$ 327,828	522,173	$ 1.47	$ 765,762	$ 1,093,590

TOTAL

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	47,197	$2.24	$ 105,721	47,197	$0.60	$ 28,318	47,197	$1.39	$ 65,604	$ 93,922
February	44,603	$2.24	$ 99,911	44,700	$0.60	$ 26,820	44,700	$1.39	$ 62,133	$ 88,953
March	38,165	$2.24	$ 85,490	39,074	$0.60	$ 23,444	39,074	$1.39	$ 54,313	$ 77,757
April	27,801	$2.24	$ 62,274	28,097	$0.60	$ 16,858	28,097	$1.39	$ 39,055	$ 55,913
May	46,927	$2.65	$ 124,357	47,066	$0.64	$ 30,122	47,066	$1.50	$ 70,599	$ 100,721
June	39,035	$2.65	$ 103,602	39,095	$0.64	$ 25,021	39,095	$1.50	$ 58,643	$ 83,663
July	40,130	$2.65	$ 106,345	40,130	$0.64	$ 25,683	40,130	$1.50	$ 60,195	$ 85,878
August	65,307	$2.65	$ 173,064	73,663	$0.64	$ 47,144	73,663	$1.50	$ 110,495	$ 157,639
September	32,540	$2.65	$ 86,231	33,158	$0.64	$ 21,221	33,158	$1.50	$ 49,737	$ 70,958
October	40,736	$2.65	$ 107,950	41,115	$0.64	$ 26,314	41,115	$1.50	$ 61,673	$ 87,986
November	37,599	$2.65	$ 99,637	38,351	$0.64	$ 24,545	38,351	$1.50	$ 57,527	$ 82,071
December	50,446	$2.65	$ 133,682	50,527	$0.64	$ 32,337	50,527	$1.50	$ 75,791	$ 108,128
Total	510,486	$ 2.52	$ 1,288,263	522,173	$ 0.63	$ 327,828	522,173	$ 1.47	$ 765,762	$ 1,093,590

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Innisfil Hydro Distribution Systems Limited - EB-2011-0176 - IRM3

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

IESO

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
February	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
March	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
April	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
May	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
June	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
July	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
August	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
September	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
October	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
November	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
December	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

HYDRO ONE

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	47,197	$ 2.6970	$ 127,290	47,197	$ 0.6150	$ 29,026	47,197	$ 1.5000	$ 70,796	$ 99,822
February	44,603	$ 2.6970	$ 120,294	44,700	$ 0.6150	$ 27,491	44,700	$ 1.5000	$ 67,050	$ 94,541
March	38,165	$ 2.6970	$ 102,931	39,074	$ 0.6150	$ 24,031	39,074	$ 1.5000	$ 58,611	$ 82,642
April	27,801	$ 2.6970	$ 74,979	28,097	$ 0.6150	$ 17,280	28,097	$ 1.5000	$ 42,146	$ 59,425
May	46,927	$ 2.6970	$ 126,562	47,066	$ 0.6150	$ 28,946	47,066	$ 1.5000	$ 70,599	$ 99,545
June	39,035	$ 2.6970	$ 105,277	39,095	$ 0.6150	$ 24,043	39,095	$ 1.5000	$ 58,643	$ 82,686
July	40,130	$ 2.6970	$ 108,231	40,130	$ 0.6150	$ 24,680	40,130	$ 1.5000	$ 60,195	$ 84,875
August	65,307	$ 2.6970	$ 176,133	73,663	$ 0.6150	$ 45,303	73,663	$ 1.5000	$ 110,495	$ 155,797
September	32,540	$ 2.6970	$ 87,760	33,158	$ 0.6150	$ 20,392	33,158	$ 1.5000	$ 49,737	$ 70,129
October	40,736	$ 2.6970	$ 109,865	41,115	$ 0.6150	$ 25,286	41,115	$ 1.5000	$ 61,673	$ 86,958
November	37,599	$ 2.6970	$ 101,405	38,351	$ 0.6150	$ 23,586	38,351	$ 1.5000	$ 57,527	$ 81,112
December	50,446	$ 2.6970	$ 136,053	50,527	$ 0.6150	$ 31,074	50,527	$ 1.5000	$ 75,791	$ 106,865
Total	510,486	$ 2.70	$ 1,376,781	522,173	$ 0.62	$ 321,136	522,173	$ 1.50	$ 783,260	$ 1,104,396

TOTAL

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	47,197	$ 2.70	$ 127,290	47,197	$ 0.62	$ 29,026	47,197	$ 1.50	$ 70,796	$ 99,822
February	44,603	$ 2.70	$ 120,294	44,700	$ 0.62	$ 27,491	44,700	$ 1.50	$ 67,050	$ 94,541
March	38,165	$ 2.70	$ 102,931	39,074	$ 0.62	$ 24,031	39,074	$ 1.50	$ 58,611	$ 82,642
April	27,801	$ 2.70	$ 74,979	28,097	$ 0.62	$ 17,280	28,097	$ 1.50	$ 42,146	$ 59,425
May	46,927	$ 2.70	$ 126,562	47,066	$ 0.62	$ 28,946	47,066	$ 1.50	$ 70,599	$ 99,545
June	39,035	$ 2.70	$ 105,277	39,095	$ 0.62	$ 24,043	39,095	$ 1.50	$ 58,643	$ 82,686
July	40,130	$ 2.70	$ 108,231	40,130	$ 0.62	$ 24,680	40,130	$ 1.50	$ 60,195	$ 84,875
August	65,307	$ 2.70	$ 176,133	73,663	$ 0.62	$ 45,303	73,663	$ 1.50	$ 110,495	$ 155,797
September	32,540	$ 2.70	$ 87,760	33,158	$ 0.62	$ 20,392	33,158	$ 1.50	$ 49,737	$ 70,129
October	40,736	$ 2.70	$ 109,865	41,115	$ 0.62	$ 25,286	41,115	$ 1.50	$ 61,673	$ 86,958
November	37,599	$ 2.70	$ 101,405	38,351	$ 0.62	$ 23,586	38,351	$ 1.50	$ 57,527	$ 81,112
December	50,446	$ 2.70	$ 136,053	50,527	$ 0.62	$ 31,074	50,527	$ 1.50	$ 75,791	$ 106,865
Total	510,486	$ 2.70	$ 1,376,781	522,173	$ 0.62	$ 321,136	522,173	$ 1.50	$ 783,260	$ 1,104,396

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Innisfil Hydro Distribution Systems Limited - EB-2011-0176 - IRM3

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

IESO

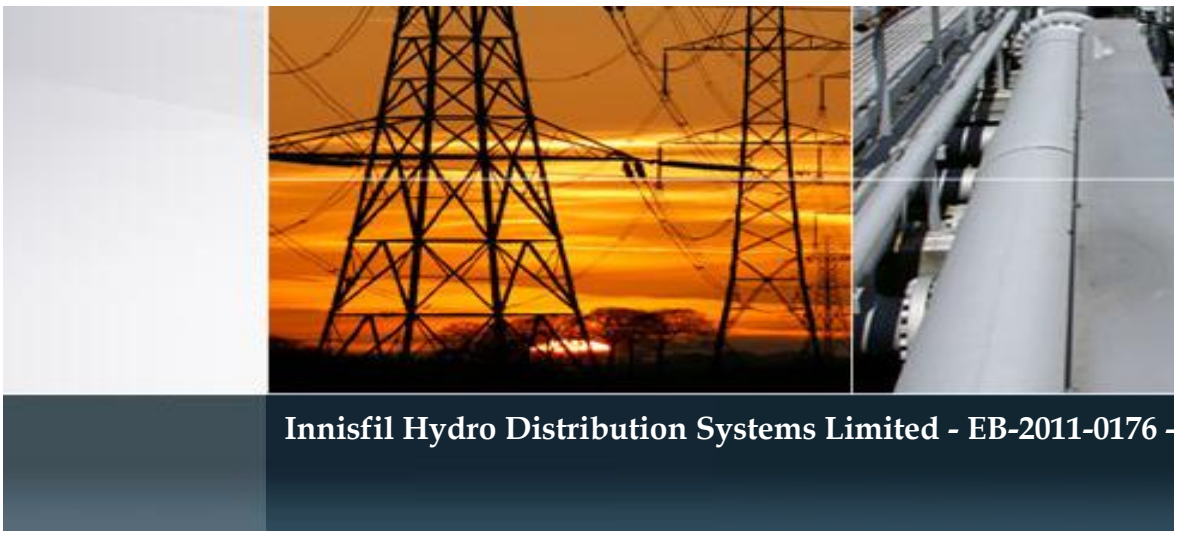
Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
February	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
March	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
April	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
May	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
June	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
July	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
August	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
September	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
October	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
November	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
December	-	$ 3.2200	$ -	-	$ 0.7900	$ -	-	$ 1.7700	$ -	$ -
Total	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	$ -

HYDRO ONE

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	47,197	$ 2.6970	$ 127,290	47,197	$ 0.6150	$ 29,026	47,197	$ 1.5000	$ 70,796	$ 99,822
February	44,603	$ 2.6970	$ 120,294	44,700	$ 0.6150	$ 27,491	44,700	$ 1.5000	$ 67,050	$ 94,541
March	38,165	$ 2.6970	$ 102,931	39,074	$ 0.6150	$ 24,031	39,074	$ 1.5000	$ 58,611	$ 82,642
April	27,801	$ 2.6970	$ 74,979	28,097	$ 0.6150	$ 17,280	28,097	$ 1.5000	$ 42,146	$ 59,425
May	46,927	$ 2.6970	$ 126,562	47,066	$ 0.6150	$ 28,946	47,066	$ 1.5000	$ 70,599	$ 99,545
June	39,035	$ 2.6970	$ 105,277	39,095	$ 0.6150	$ 24,043	39,095	$ 1.5000	$ 58,643	$ 82,686
July	40,130	$ 2.6970	$ 108,231	40,130	$ 0.6150	$ 24,680	40,130	$ 1.5000	$ 60,195	$ 84,875
August	65,307	$ 2.6970	$ 176,133	73,663	$ 0.6150	$ 45,303	73,663	$ 1.5000	$ 110,495	$ 155,797
September	32,540	$ 2.6970	$ 87,760	33,158	$ 0.6150	$ 20,392	33,158	$ 1.5000	$ 49,737	$ 70,129
October	40,736	$ 2.6970	$ 109,865	41,115	$ 0.6150	$ 25,286	41,115	$ 1.5000	$ 61,673	$ 86,958
November	37,599	$ 2.6970	$ 101,405	38,351	$ 0.6150	$ 23,586	38,351	$ 1.5000	$ 57,527	$ 81,112
December	50,446	$ 2.6970	$ 136,053	50,527	$ 0.6150	$ 31,074	50,527	$ 1.5000	$ 75,791	$ 106,865
Total	510,486	$ 2.70	$ 1,376,781	522,173	$ 0.62	$ 321,136	522,173	$ 1.50	$ 783,260	$ 1,104,396

TOTAL

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	47,197	$ 2.70	$ 127,290	47,197	$ 0.62	$ 29,026	47,197	$ 1.50	$ 70,796	$ 99,822
February	44,603	$ 2.70	$ 120,294	44,700	$ 0.62	$ 27,491	44,700	$ 1.50	$ 67,050	$ 94,541
March	38,165	$ 2.70	$ 102,931	39,074	$ 0.62	$ 24,031	39,074	$ 1.50	$ 58,611	$ 82,642
April	27,801	$ 2.70	$ 74,979	28,097	$ 0.62	$ 17,280	28,097	$ 1.50	$ 42,146	$ 59,425
May	46,927	$ 2.70	$ 126,562	47,066	$ 0.62	$ 28,946	47,066	$ 1.50	$ 70,599	$ 99,545
June	39,035	$ 2.70	$ 105,277	39,095	$ 0.62	$ 24,043	39,095	$ 1.50	$ 58,643	$ 82,686
July	40,130	$ 2.70	$ 108,231	40,130	$ 0.62	$ 24,680	40,130	$ 1.50	$ 60,195	$ 84,875
August	65,307	$ 2.70	$ 176,133	73,663	$ 0.62	$ 45,303	73,663	$ 1.50	$ 110,495	$ 155,797
September	32,540	$ 2.70	$ 87,760	33,158	$ 0.62	$ 20,392	33,158	$ 1.50	$ 49,737	$ 70,129
October	40,736	$ 2.70	$ 109,865	41,115	$ 0.62	$ 25,286	41,115	$ 1.50	$ 61,673	$ 86,958
November	37,599	$ 2.70	$ 101,405	38,351	$ 0.62	$ 23,586	38,351	$ 1.50	$ 57,527	$ 81,112
December	50,446	$ 2.70	$ 136,053	50,527	$ 0.62	$ 31,074	50,527	$ 1.50	$ 75,791	$ 106,865
Total	510,486	$ 2.70	$ 1,376,781	522,173	$ 0.62	$ 321,136	522,173	$ 1.50	$ 783,260	$ 1,104,396



Innisfil Hydro Distribution Systems Limited - EB-2011-0176 -

The purpose of this sheet is to re-align the current RTS Network Rates

Rate Class	Unit		Current RTSR - Network
Residential	kWh	$	0.0061
General Service Less Than 50 kW	kWh	$	0.0055
General Service 50 to 4,999 kW	kW	$	2.6380
General Service 50 to 4,999 kW – Interval Metered	kW	$	2.1926
Unmetered Scattered Load	kWh	$	0.0055
Sentinel Lighting	kW	$	1.7159
Street Lighting	kW	$	1.7072

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

- IRM3

to recover current wholesale network costs.

Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing
171,298,275	-	$ 1,044,919	64.5%	$ 888,490
33,706,295	-	$ 185,385	11.4%	$ 157,632
	82,212	$ 216,875	13.4%	$ 184,408
-	73,070	$ 160,213	9.9%	$ 136,229
570,085	-	$ 3,135	0.2%	$ 2,666
	350	$ 601	0.0%	$ 511
	4,716	$ 8,051	0.5%	$ 6,846
		$ 1,619,180		

Adjusted RTSR Network
$ 0.0052
$ 0.0047
$ 2.2431
$ 1.8644
$ 0.0047
$ 1.4590
$ 1.4516

Innisfil Hydro Distribution Systems Limited - EB-2011-0176 -

The purpose of this sheet is to re-align the current RTS Connection R

Rate Class	Unit		Current RTSR - Connection
Residential	kWh	$	0.0049
General Service Less Than 50 kW	kWh	$	0.0045
General Service 50 to 4,999 kW	kW	$	1.7728
General Service 50 to 4,999 kW – Interval Metered	kW	$	2.5994
Unmetered Scattered Load	kWh	$	0.0045
Sentinel Lighting	kW	$	1.3990
Street Lighting	kW	$	1.3703

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

IRM3

ates to recover current wholesale connection costs.

Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing
171,298,275	-	$ 839,362	62.8%	$ 693,728
33,706,295	-	$ 151,678	11.4%	$ 125,361
	82,212	$ 145,745	10.9%	$ 120,458
-	73,070	$ 189,938	14.2%	$ 156,983
570,085	-	$ 2,565	0.2%	$ 2,120
	350	$ 490	0.0%	$ 405
	4,716	$ 6,462	0.5%	$ 5,341
		$ 1,336,241		

Adjusted RTSR Connection

$	0.0040
$	0.0037
$	1.4652
$	2.1484
$	0.0037
$	1.1563
$	1.1325

Innisfil Hydro Distribution Systems Limited - EB-2011-0176 -

The purpose of this sheet is to update the re-align RTS Network Rates t

Rate Class	Unit		Adjusted RTSR - Network
Residential	kWh	$	0.0052
General Service Less Than 50 kW	kWh	$	0.0047
General Service 50 to 4,999 kW	kW	$	2.2431
General Service 50 to 4,999 kW – Interval Metered	kW	$	1.8644
Unmetered Scattered Load	kWh	$	0.0047
Sentinel Lighting	kW	$	1.4590
Street Lighting	kW	$	1.4516

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

IRM3

:o recover forecast wholesale network costs.

Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing
171,298,275	-	$ 888,490	64.5%	$ 888,490
33,706,295	-	$ 157,632	11.4%	$ 157,632
	82,212	$ 184,408	13.4%	$ 184,408
-	73,070	$ 136,229	9.9%	$ 136,229
570,085	-	$ 2,666	0.2%	$ 2,666
	350	$ 511	0.0%	$ 511
	4,716	$ 6,846	0.5%	$ 6,846
		$ 1,376,781		

Proposed RTSR Network
$ 0.0052
$ 0.0047
$ 2.2431
$ 1.8644
$ 0.0047
$ 1.4590
$ 1.4516

Innisfil Hydro Distribution Systems Limited - EB-2011-0176 -

The purpose of this sheet is to update the re-aligned RTS Connection Rate

Rate Class	Unit		Adjusted RTSR - Connection
Residential	kWh	$	0.0040
General Service Less Than 50 kW	kWh	$	0.0037
General Service 50 to 4,999 kW	kW	$	1.4652
General Service 50 to 4,999 kW – Interval Metered	kW	$	2.1484
Unmetered Scattered Load	kWh	$	0.0037
Sentinel Lighting	kW	$	1.1563
Street Lighting	kW	$	1.1325

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

IRM3

es to recover forecast wholesale connection costs.

Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing
171,298,275	-	$ 693,728	62.8%	$ 693,728
33,706,295	-	$ 125,361	11.4%	$ 125,361
	82,212	$ 120,458	10.9%	$ 120,458
-	73,070	$ 156,983	14.2%	$ 156,983
570,085	-	$ 2,120	0.2%	$ 2,120
	350	$ 405	0.0%	$ 405
	4,716	$ 5,341	0.5%	$ 5,341
		$ 1,104,396		

Proposed RTSR Connection
$ 0.0040
$ 0.0037
$ 1.4652
$ 2.1484
$ 0.0037
$ 1.1563
$ 1.1325

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Innisfil Hydro Distribution Systems Limited - EB-2011-0176 - IRM3

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

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

Rate Class	Unit	Proposed RTSR Network		Proposed RTSR Connection	
Residential	kWh	$	0.0052	$	0.0040
General Service Less Than 50 kW	kWh	$	0.0047	$	0.0037
General Service 50 to 4,999 kW	kW	$	2.2431	$	1.4652
General Service 50 to 4,999 kW – Interval Metered	kW	$	1.8644	$	2.1484
Unmetered Scattered Load	kWh	$	0.0047	$	0.0037
Sentinel Lighting	kW	$	1.4590	$	1.1563

Street Lighting	**kW**	**$**	**1.4516**	**$**	**1.1325**

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Tab 6 - Rate Generator Model

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Ontario Energy Board

3RD Generation Incentive Regulation Model

Choose Your Utility:

Hydro One Remote Communities Inc.
Innisfil Hydro Distribution Systems Limited

Application Type: IRM3
OEB Application #: EB-2011-0176
LDC Licence #: ED-2002-0520

Application Contact Information

Name:	Brenda L Pinke
Title:	Regulatory/CDM Manager
Phone Number:	705-431-6870 Ext 262
Email Address:	brendap@innisfilhydro.com
We are applying for rates effective:	May 1, 2012
Please indicate the version of Microsoft Excel that you are currently using:	Excel 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

Copyright

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

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

Sheet name 1. Info

Table of Contents

1. Info
2. Table of Contents
3. Rate Classes
4. Current Monthly Fixed Charges
5. Current Distribution Volumetric Rates
6. Current Volumetric Rate Riders
7. Current RTSR-Network Rates
8. Current RTSR-Connection Rates
9. 2012 Continuity Schedule for Deferral and Variance Accounts
10. Deferral/Variance Accounts - Billing Determinants
11. Deferral/Variance Accounts - Cost Allocation
12. Deferral/Variance Accounts - Calculation of Rate Riders
13. Proposed Monthly Fixed Charges
14. Proposed Volumetric Rate Riders
15. Proposed RTSR-Network Rates
16. Proposed RTSR-Connection Rates
17. Adjustments for Revenue/Cost Ratio and GDP-IPI - X
18. Loss Factors - Current and Proposed (if applicable)
19. Other Charges
20. 2012 Final Tariff of Rates and Charges
21. Bill Impacts

Ontario Energy Board

3RD Generation Incentive Regulation Model

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

Rate Class
Residential
General Service Less Than 50 kW
General Service 50 to 4,999 kW
Street Lighting
Sentinel Lighting
Unmetered Scattered Load
General Service 50 to 4,999 kW – Interval Metered
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class

Ontario Energy Board

3RD Generation Incentive Regulation Model

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

Rate Description	Unit	Amount	Effective Until Date
Residential			
Service Charge	$	19.05	
Smart Meter Funding Adder	$	2.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.16	April 30, 2012
General Service Less Than 50 kW			
Service Charge	$	28.60	
Smart Meter Funding Adder	$	2.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.29	April 30, 2012
General Service 50 to 4,999 kW			
Service Charge	$	317.84	
Smart Meter Funding Adder	$	2.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	4.00	April 30, 2012
General Service 50 to 4,999 kW – Interval Metered			
Service Charge	$	317.84	
Smart Meter Funding Adder	$	2.00	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	4.00	April 30, 2012
Unmetered Scattered Load			
Service Charge	$	23.30	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.16	April 30, 2012
Sentinel Lighting			
Service Charge	$	7.57	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.02	April 30, 2012

Street Lighting			
Service Charge	$	5.34	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.02	April 30, 2012

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

Rate Description	Unit	Amount
Residential	$/kWh	0.01860
General Service Less Than 50 kW	$/kWh	0.00850
General Service 50 to 4,999 kW	$/kW	2.94910
General Service 50 to 4,999 kW – Interval Metered	$/kW	2.94910
Unmetered Scattered Load	$/kWh	0.03930
Sentinel Lighting	$/kW	34.49160
Street Lighting	$/kW	36.98070

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

Rate Description	Unit	Amount	Effective Until Date
Residential			
Low Voltage Service Rate	$/kWh	0.00220	
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00320	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kWh	0.00050	April 30, 2013
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	(0.00150)	April 30, 2012
Rate Rider for Tax Change	$/kWh	(0.00030)	April 30, 2012
General Service Less Than 50 kW			
Low Voltage Service Rate	$/kWh	0.00200	
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00320	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kWh	0.00040	April 30, 2013
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	0.00150	April 30, 2012
Rate Rider for Tax Change	$/kWh	(0.00020)	April 30, 2012
General Service 50 to 4,999 kW			
Low Voltage Service Rate	$/kW	0.78830	
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	1.11620	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kW	0.13680	April 30, 2013
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	(0.52670)	April 30, 2012
Rate Rider for Tax Change	$/kW	(0.04810)	April 30, 2012
General Service 50 to 4,999 kW – Interval Metered			
Low Voltage Service Rate	$/kW	0.78830	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	$/kW	1.11620	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kW	0.13680	April 30, 2013

Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	(0.52670)	April 30, 2012
Rate Rider for Tax Change	$/kW	(0.04810)	April 30, 2012

Unmetered Scattered Load

Low Voltage Service Rate	$/kWh	0.00200	
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00320	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kWh	0.00050	April 30, 2013
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	(0.00160)	April 30, 2012
Rate Rider for Tax Change	$/kWh	(0.00070)	April 30, 2012

Sentinel Lighting

Low Voltage Service Rate	$/kW	0.60650	
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	1.15160	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kW	0.17620	April 30, 2013
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	(0.55910)	April 30, 2012
Rate Rider for Tax Change	$/kW	(0.77440)	April 30, 2012

Street Lighting

Low Voltage Service Rate	$/kW	1.63310	
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	1.15320	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kW	0.14190	April 30, 2013
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	(0.54530)	April 30, 2012
Rate Rider for Tax Change	$/kW	(0.66630)	April 30, 2012

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

Rate Description	Unit	Amount
Residential		
Retail Transmission Rate – Network Service Rate	$/kWh	0.00610
General Service Less Than 50 kW		
Retail Transmission Rate – Network Service Rate	$/kWh	0.00550
General Service 50 to 4,999 kW		
Retail Transmission Rate – Network Service Rate	$/kW	2.26380
General Service 50 to 4,999 kW – Interval Metered		
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.19260
Unmetered Scattered Load		
Retail Transmission Rate – Network Service Rate	$/kWh	0.00550
Sentinel Lighting		
Retail Transmission Rate – Network Service Rate	$/kW	1.71590
Street Lighting		
Retail Transmission Rate – Network Service Rate	$/kW	1.70720

Sheet name 7. Current RTSR-Network

Sheet name 7. Current RTSR-Network

Sheet name 7. Current RTSR-Network

Sheet name 7. Current RTSR-Network

Sheet name 7. Current RTSR-Network

Sheet name 7. Current RTSR-Network

Sheet name 7. Current RTSR-Network

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

Rate Description	Unit	Amount
Residential		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00490
General Service Less Than 50 kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00450
General Service 50 to 4,999 kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.77280
General Service 50 to 4,999 kW – Interval Metered		
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	2.59940
Unmetered Scattered Load		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00450
Sentinel Lighting		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.39900
Street Lighting		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	1.37030

Sheet name 8. Current RTSR-Connection

Sheet name 8. Current RTSR-Connection

Sheet name 8. Current RTSR-Connection

Sheet name 8. Current RTSR-Connection

Sheet name 8. Current RTSR-Connection

Sheet name 8. Current RTSR-Connection

Sheet name 8. Current RTSR-Connection

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Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		2006									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-06	Transactions Debit / (Credit) during 2006 excluding interest and adjustments [5]	Board-Approved Disposition during 2006 [2, 2A]	Adjustments during 2006 - other [3]	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Board-Approved Disposition during 2006 [2, 2A]	Adjustments during 2006 - other [3]	Closing Interest Amounts as of Dec-31-06
Group 1 Accounts											
LV Variance Account	1550	$ -				$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Network Charge	1584	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Connection Charge	1586	$ -				$ -	$ -				$ -
RSVA - Power (excluding Global Adjustment)	1588	$ -				$ -	$ -				$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	$ -				$ -	$ -				$ -
Recovery of Regulatory Asset Balances	1590	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**					-$ 593,071	$ 19,514	-$ 25,056			-$ 5,542
Group 1 Total + 1521 + 1562		$ -	$ -	$ -	$ -	-$ 593,071	$ 19,514	-$ 25,056	$ -	$ -	-$ 5,542
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

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

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

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

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

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

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

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

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

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

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

Account Descriptions	Account Number	2007									
		Opening Principal Amounts as of Jan-1-07	Transactions Debit / (Credit) during 2007 excluding interest and adjustments [5]	Board-Approved Disposition during 2007	Adjustments during 2007 - other [3]	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Disposition during 2007	Adjustments during 2007 - other [3]	Closing Interest Amounts as of Dec-31-07
Group 1 Accounts											
LV Variance Account	1550	$ -				$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Network Charge	1584	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Connection Charge	1586	$ -				$ -	$ -				$ -
RSVA - Power (excluding Global Adjustment)	1588	$ -				$ -	$ -				$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	$ -				$ -	$ -				$ -
Recovery of Regulatory Asset Balances	1590	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**	-$ 593,071				-$ 593,071	-$ 5,542	-$ 28,044			-$ 33,586
Group 1 Total + 1521 + 1562		-$ 593,071	$ -	$ -	$ -	-$ 593,071	-$ 5,542	-$ 28,044	$ -	$ -	-$ 33,586
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

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

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

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

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

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

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

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

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

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

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

Account Descriptions	Account Number	2008									
		Opening Principal Amounts as of Jan-1-08	Transactions Debit / (Credit) during 2008 excluding interest and adjustments [5]	Board-Approved Disposition during 2008	Adjustments during 2008 - other [3]	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other [3]	Closing Interest Amounts as of Dec-31-08
Group 1 Accounts											
LV Variance Account	1550	$ -				$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Network Charge	1584	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Connection Charge	1586	$ -				$ -	$ -				$ -
RSVA - Power (excluding Global Adjustment)	1588	$ -				$ -	$ -				$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	$ -				$ -	$ -				$ -
Recovery of Regulatory Asset Balances	1590	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**	-$ 593,071				-$ 593,071	-$ 33,586	-$ 23,584			-$ 57,170
Group 1 Total + 1521 + 1562		-$ 593,071	$ -	$ -	$ -	-$ 593,071	-$ 33,586	-$ 23,584	$ -	$ -	-$ 57,170
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

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

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

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

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

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

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

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the trans
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Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period h
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Innisfil Hydro Distribution Systems Limited - EB-2011-0176

lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 152
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djustment column AV for principal and column BA for interest. This will allow for the correct starting point fo
equiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

		2009									
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-09	Transactions Debit / (Credit) during 2009 excluding interest and adjustments [5]	Board-Approved Disposition during 2009	Adjustments during 2009 - other [3]	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other [3]	Closing Interest Amounts as of Dec-31-09
Group 1 Accounts											
LV Variance Account	1550	$ -		$ 229,974	$ 186,754	-$ 43,220	$ -		$ 17,830	$ 21,279	$ 3,449
RSVA - Wholesale Market Service Charge	1580	$ -			-$ 484,007	-$ 484,007	$ -			-$ 22,771	-$ 22,771
RSVA - Retail Transmission Network Charge	1584	$ -			-$ 513,630	-$ 513,630	$ -			-$ 29,534	-$ 29,534
RSVA - Retail Transmission Connection Charge	1586	$ -			$ 572,628	$ 572,628	$ -			$ 71,522	$ 71,522
RSVA - Power (excluding Global Adjustment)	1588	$ -			$ 649,281	$ 649,281	$ -			-$ 1,739	-$ 1,739
RSVA - Power - Sub-Account - Global Adjustment	1588	$ -			$ 316,313	$ 316,313	$ -			$ 13,502	$ 13,502
Recovery of Regulatory Asset Balances	1590	$ -			$ 118,439	$ 118,439	$ -			-$ 132,888	-$ 132,888
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ -	$ -	$ 229,974	$ 845,779	$ 615,805	$ -	$ -	$ 17,830	-$ 80,628	-$ 98,458
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		$ -	$ -	$ 229,974	$ 529,466	$ 299,492	$ -	$ -	$ 17,830	-$ 94,130	-$ 111,960
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ -	$ -	$ -	$ 316,313	$ 316,313	$ -	$ -	$ -	$ 13,502	$ 13,502
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**	-$ 593,071				-$ 593,071	-$ 57,170	-$ 6,706			-$ 63,875
Group 1 Total + 1521 + 1562		-$ 593,071	$ -	$ 229,974	$ 845,779	$ 22,734	-$ 57,170	-$ 6,706	$ 17,830	-$ 80,628	-$ 162,333
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -			$ 326,787	$ 326,787	$ -			$ 42,016	$ 42,016

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

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

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

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

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

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Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

		2010													
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-10	Transactions Debit / (Credit) during 2010 excluding interest and adjustments [5]	Board-Approved Disposition during 2010	Other [3] Adjustments during Q1 2010	Other [3] Adjustments during Q2 2010	Other [3] Adjustments during Q3 2010	Other [3] Adjustments during Q4 2010	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other [3]	Closing Interest Amounts as of Dec-31-10
Group 1 Accounts														
LV Variance Account	1550	-$ 43,220	-$ 218,767	$ 119,047					-$ 381,034	$ 3,449	-$ 1,402	$ 3,060		-$ 1,013
RSVA - Wholesale Market Service Charge	1580	-$ 484,007	-$ 248,963	-$ 418,413					-$ 314,556	-$ 22,771	-$ 5,019	-$ 23,489		-$ 4,302
RSVA - Retail Transmission Network Charge	1584	-$ 513,630	$ 36,888	-$ 409,791					-$ 66,951	-$ 29,534	-$ 4,040	-$ 29,753		-$ 3,821
RSVA - Retail Transmission Connection Charge	1586	$ 572,628	-$ 113,473	$ 613,136					-$ 153,981	$ 71,522	$ 3,972	$ 72,675		$ 2,819
RSVA - Power (excluding Global Adjustment)	1588	$ 649,281	-$ 117,209	$ 620,568					-$ 88,496	-$ 1,739	$ 13,842	$ 4,720		$ 7,384
RSVA - Power - Sub-Account - Global Adjustment	1588	$ 316,313	-$ 30,715	$ 107,517					$ 178,081	$ 13,502	$ 2,156	$ 17,442		-$ 1,783
Recovery of Regulatory Asset Balances	1590	$ 118,439	-$ 1	$ 119,143					-$ 705	-$ 132,888	-$ 5	-$ 125,439		-$ 7,454
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -							$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -							$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ 615,805	-$ 692,240	$ 751,207	$ -	$ -	$ -	$ -	-$ 827,642	-$ 98,458	$ 9,504	-$ 80,784	$ -	-$ 8,170
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		$ 299,492	-$ 661,525	$ 643,690	$ -	$ -	$ -	$ -	-$ 1,005,722	-$ 111,960	$ 7,347	-$ 98,226	$ -	-$ 6,387
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ 316,313	-$ 30,715	$ 107,517	$ -	$ -	$ -	$ -	$ 178,081	$ 13,502	$ 2,156	$ 17,442	$ -	-$ 1,783
Special Purpose Charge Assessment Variance Account	**1521**								$ -					$ -
Deferred Payments in Lieu of Taxes	**1562**	-$ 593,071							-$ 593,071	-$ 63,875	-$ 4,742			-$ 68,617
Group 1 Total + 1521 + 1562		$ 22,734	-$ 692,240	$ 751,207	$ -	$ -	$ -	$ -	-$ 1,420,713	-$ 162,333	$ 4,762	-$ 80,784	$ -	-$ 76,787
The following is not included in the total claim but are included on a memo basis:														
Board-Approved CDM Variance Account	1567								$ -	$ -				$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592								$ -	$ -				$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592								$ -	$ -				$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -							$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ 326,787	$ 220,282		$ 705				$ 547,774	$ 42,016	-$ 94,304		$ 7,454	-$ 44,835

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

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

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

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Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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djustment column AV for principal and column BA for interest. This will allow for the correct starting point fo
equiring entries dating back to the beginning of the continuity schedule ie: Jan 1, 2005.

		2011				Projected Interest on Dec-31-10 Balances			2.1.7 RRR	
Account Descriptions	Account Number	Principal Disposition during 2011 - instructed by Board	Interest Disposition during 2011 - instructed by Board	Closing Principal Balances as of Dec 31-10 Adjusted for Dispositions during 2011	Closing Interest Balances as of Dec 31-10 Adjusted during 2011 Disposition	Projected Interest from Jan 1, 2011 to December 31, 2011 on Dec 31 -10 balance adjusted for disposition during 2011 [5]	Projected Interest from January 1, 2012 to April 30, 2012 on Dec 31 -10 balance adjusted for disposition during 2011 [6, 7]	Total Claim	As of Dec 31-10 [4]	Variance RRR vs. 2010 Balance *(Principal + Interest)*
Group 1 Accounts										
LV Variance Account	1550	-$ 162,267	$ 322	-$ 218,767	-$ 1,335	-$ 5,601	-$ 1,852	-$ 227,555	-$ 382,047	$ -
RSVA - Wholesale Market Service Charge	1580	-$ 65,594	$ 52	-$ 248,962	-$ 4,354	-$ 4,624	-$ 1,529	-$ 259,469	-$ 318,858	$ -
RSVA - Retail Transmission Network Charge	1584	-$ 103,839	-$ 833	$ 36,888	-$ 2,988	-$ 984	-$ 325	$ 32,591	-$ 70,772	$ -
RSVA - Retail Transmission Connection Charge	1586	-$ 40,508	-$ 1,585	-$ 113,473	$ 4,404	-$ 2,264	-$ 748	-$ 112,080	-$ 151,161	$ -
RSVA - Power (excluding Global Adjustment)	1588	$ 28,713	$ 3,272	-$ 117,209	$ 4,112	-$ 1,301	-$ 430	-$ 114,828	-$ 81,112	$ 0
RSVA - Power - Sub-Account - Global Adjustment	1588	$ 208,797	-$ 1,822	-$ 30,716	$ 39	$ 2,618	$ 865	-$ 27,194	$ 176,298	$ -
Recovery of Regulatory Asset Balances	1590	-$ 705	-$ 7,454	$ 0	$ -	$ -	$ -	$ 0	$ -	$ 8,159
Disposition and Recovery of Regulatory Balances (2008)[7]	1595			$ -	$ -	$ -	$ -	$ -		$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595			$ -	$ -	$ -	$ -	$ -		$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		-$ 135,403	-$ 8,048	-$ 692,239	-$ 122	-$ 12,156	-$ 4,019	-$ 708,535	-$ 827,653	$ 8,159
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-$ 344,200	-$ 6,226	-$ 661,522	-$ 161	-$ 14,774	-$ 4,884	-$ 681,341	-$ 1,003,950	$ 8,159
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ 208,797	-$ 1,822	-$ 30,716	$ 39	$ 2,618	$ 865	-$ 27,194	$ 176,298	$ -
Special Purpose Charge Assessment Variance Account	**1521**							$ -	$ 40,120	$ 40,120
Deferred Payments in Lieu of Taxes	**1562**			-$ 593,071	-$ 68,617	-$ 8,718	-$ 2,882	-$ 673,289	-$ 721,162	-$ 59,474
Group 1 Total + 1521 + 1562		-$ 135,403	-$ 8,048	-$ 1,285,310	-$ 68,739	-$ 20,874	-$ 6,901	-$ 1,381,824	-$ 1,508,695	-$ 11,195
The following is not included in the total claim but are included on a memo basis:										
Board-Approved CDM Variance Account	1567							$ -		$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592							$ -		$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592							$ -		$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592							$ -		$ -
Disposition and Recovery of Regulatory Balances[7]	1595					$ 8,052	$ 2,662	$ 513,653	$ 494,780	-$ 8,159

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

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

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

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Ontario Energy Board

3RD Generation Incentive Regulation Model

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue [1]	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) [2]	1595 Recovery Share Proportion (2009) [2]
Residential	$/kWh	155,528,870		19,229,800	-	5,297,055			
General Service Less Than 50 kW	$/kWh	31,359,068		5,070,679	-	697,669			
General Service 50 to 4,999 kW	$/kW	40,258,708	116,345	48,626,867	140,528	637,157			
General Service 50 to 4,999 kW – Interval Metered					-				
Unmetered Scattered Load	$/kWh	562,039		38,352	-	24,573			
Sentinel Lighting	$/kW	123,512	344	12,400	35	5,389			
Street Lighting	$/kW	1,652,371	4,924	1,449,402	4,319	45,438			
Total		229,484,568	121,613	74,427,500	144,882	6,707,281	0%	0%	0%

Total Claim (including Accounts 1521 and 1562)	-$	1,381,824
Total Claim for Threshold Test (All Group 1 Accounts)	-$	708,535
Threshold Test [3] (Total Claim per kWh)	-	0.00309

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

Ontario Energy Board

Deferral / Variance Account Work Form

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

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

Rate Class	Units	Billed kWh	% kWh	1550	1580	1584	1586	1588*	1590	1595 (2008)	1595 (2009)	1521	Total
Residential	$/kWh	155,528,870	67.77%	(154,221)	(175,850)	22,088	(75,960)	(77,823)	0	0	0	0	(461,767)
General Service Less Than 50 kW	$/kWh	31,359,068	13.67%	(31,095)	(35,456)	4,454	(15,316)	(15,691)	0	0	0	0	(93,105)
General Service 50 to 4,999 kW	$/kW	40,258,708	17.54%	(39,920)	(45,519)	5,717	(19,662)	(20,144)	0	0	0	0	(119,528)
General Service 50 to 4,999 kW – Interval Metered	-	-	0.00%	0	0	0	0	0	0	0	0	0	0
Unmetered Scattered Load	$/kWh	562,039	0.24%	(557)	(635)	80	(274)	(281)	0	0	0	0	(1,669)
Sentinel Lighting	$/kW	123,512	0.05%	(122)	(140)	18	(60)	(62)	0	0	0	0	(367)
Street Lighting	$/kW	1,652,371	0.72%	(1,638)	(1,868)	235	(807)	(827)	0	0	0	0	(4,906)
Total		229,484,568	100.00%	(227,555)	(259,469)	32,591	(112,080)	(114,828)	0	0	0	0	(681,342)

** RSVA - Power (Excluding Global Adjustment)*

1588 RSVA - Power (Global Adjustment Sub-Account)

Rate Class	non-RPP kWh	% kWh	1588
Residential	19,229,800	25.84%	- 7,026
General Service Less Than 50 kW	5,070,679	6.81%	- 1,853
General Service 50 to 4,999 kW	48,626,867	65.33%	- 17,767
General Service 50 to 4,999 kW – Interval Metered	-	0.00%	-
Unmetered Scattered Load	38,352	0.05%	- 14
Sentinel Lighting	12,400	0.02%	- 5
Street Lighting	1,449,402	1.95%	- 530
Total	74,427,500	100.00%	(27,194)

Allocation of Account 1562

	% of Distribution Revenue		Allocation of Balance in Account 1562
Residential	79.0%	-	531,728
General Service Less Than 50 kW	10.4%	-	70,033
General Service 50 to 4,999 kW	9.5%	-	63,959
General Service 50 to 4,999 kW – Interval Metered	0.0%		-
Unmetered Scattered Load	0.4%	-	2,467
Sentinel Lighting	0.1%	-	541
Street Lighting	0.7%	-	4,561
Total	100.0%	-	673,289

Ontario Energy Board

Deferral / Variance Account Work Form

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

Please indicate the Rate Rider Recovery Period (in years) 2

Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider		Account 1588 Global Adjustment	Billed kWh or Estimated kW for Non-RPP	Global Adjustment Rate Rider
Residential	$/kWh	155,528,870	-	-$ 993,494	($0.00319)	$/kWh	-$ 7,026	19,229,800	($0.00018)
General Service Less Than 50 kW	$/kWh	31,359,068	-	-$ 163,139	($0.00260)	$/kWh	-$ 1,853	5,070,679	($0.00018)
General Service 50 to 4,999 kW	$/kW	40,258,708	116,345	-$ 183,487	($0.78855)	$/kW	-$ 17,767	140,528	($0.06322)
General Service 50 to 4,999 kW – Interval Metered	-	-	-	$ -	$0.00000		$ -	-	$0.00000
Unmetered Scattered Load	$/kWh	562,039	-	-$ 4,135	($0.00368)	$/kWh	-$ 14	38,352	($0.00018)
Sentinel Lighting	$/kW	123,512	344	-$ 908	($1.31928)	$/kW	-$ 5	35	($0.06559)
Street Lighting	$/kW	1,652,371	4,924	-$ 9,467	($0.96132)	$/kW	-$ 530	4,319	($0.06131)
Total		229,484,568	121,613	-$ 1,354,630			-$ 27,194		

Ontario Energy Board

3RD Generation Incentive Regulation Model

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

Rate Description	Unit	Amount	Effective Until Date	Proposed Amount	Effective Until Date
Residential					
Service Charge	$	19.05			
	$				
	$				
	$				
General Service Less Than 50 kW					
Service Charge	$	28.60			
	$				
	$				
	$				
General Service 50 to 4,999 kW					
Service Charge	$	317.84			
	$				
	$				
	$				
General Service 50 to 4,999 kW – Interval Metered					
Service Charge	$	317.84			
	$				
	$				
	$				
Unmetered Scattered Load					
Service Charge	$	23.30			
	$				
	$				
	$				
Sentinel Lighting					
Service Charge	$	7.57			

	$		
	$		
	$		
Street Lighting			
	$		
	$		
	$		

Sheet name 13. Proposed MFC

Ontario Energy Board

3RD Generation Incentive Regulation Model

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

Rate Description	Unit	Amount	Effective Until Date	Proposed Amount	Effective Until Date
Residential					
Low Voltage Service Rate	$/kWh	0.00220			
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kWh	0.00050	April 30, 2013		
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh			-0.00319	April 30, 2014
Rate Rider for Global Adjustment Sub-Account Disposition (2012)	$/kWh			-0.00018	April 30, 2013
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery	$/kWh			0.00090	April 30, 2013
Rate Rider for Tax Change	$/kWh			-0.00040	April 30,2013
General Service Less Than 50 kW					
Low Voltage Service Rate	$/kWh	0.00200			
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kWh	0.00040	April 30, 2013		
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh			-0.00260	April 30, 2014
Rate Rider for Global Adjustment Sub-Account Disposition (2012)	$/kWh			-0.00018	April 30, 2013
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery	$/kWh			0.00060	April 30, 2013
Rate Rider for Tax Change	$/kWh			-0.00020	April 30, 2013
General Service 50 to 4,999 kW					
Low Voltage Service Rate	$/kW	0.78830			
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kW	0.13680	April 30, 2013		
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW			-0.78855	April 30, 2014
Rate Rider for Global Adjustment Sub-Account Disposition (2012)	$/kW			-0.06322	April 30, 2013
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery	$/kW			0.13010	April 30, 2013
Rate Rider for Tax Change	$/kW			-0.06020	April 30, 2013
General Service 50 to 4,999 kW – Interval Metered					
Low Voltage Service Rate	$/kW	0.78830			

Rate Rider for Deferral/Variance Account Disposition (2009)	$/kW	0.13680	April 30, 2013		
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW			-0.78855	April 30, 2014
Rate Rider for Global Adjustment Sub-Account Disposition (2012)	$/kW			-0.06322	April 30, 2013
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery	$/kW			0.13010	April 30, 2013
Rate Rider for Tax Change	$/kW			-0.06020	April 30, 2013
Unmetered Scattered Load					
Low Voltage Service Rate	$/kWh	0.00200			
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kWh	0.00050	April 30, 2013		
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh			-0.00368	April 30, 2014
Rate Rider for Global Adjustment Sub-Account Disposition (2012)	$/kWh			-0.00018	April 30, 2013
Rate Rider for Tax Change	$/kWh			-0.00090	April 30, 2013
Sentinel Lighting					
Low Voltage Service Rate	$/kW	0.60650			
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kW	0.17620	April 30, 2013		
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW			-1.31928	April 30, 2014
Rate Rider for Global Adjustment Sub-Account Disposition (2012)	$/kW			-0.06559	April 30, 2013
Rate Rider for Tax Change	$/kW			-0.96540	April 30, 2013
Street Lighting					
Low Voltage Service Rate	$/kW	1.63310			
Rate Rider for Deferral/Variance Account Disposition (2009)	$/kW	0.14190	April 30, 2013		
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW			-0.96132	April 30, 2014
Rate Rider for Global Adjustment Sub-Account Disposition (2012)	$/kW			-0.06131	April 30, 2013
Rate Rider for Tax Change	$/kW			-0.83090	April 30, 2013

Sheet name 14. Proposed Rate_Riders

Sheet name 14. Proposed Rate_Riders

Sheet name 14. Proposed Rate_Riders

Ontario Energy Board

3RD Generation Incentive Regulation Model

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

Rate Description	Unit	Current Amount	% Adjustment	Proposed Amount
Residential				
Retail Transmission Rate – Network Service Rate	$/kWh	0.00610	-14.754%	0.00520
General Service Less Than 50 kW				
Retail Transmission Rate – Network Service Rate	$/kWh	0.00550	-14.545%	0.00470
General Service 50 to 4,999 kW				
Retail Transmission Rate – Network Service Rate	$/kW	2.26380	-0.914%	2.24310
General Service 50 to 4,999 kW – Interval Metered				
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.19260	-14.969%	1.86440
Unmetered Scattered Load				
Retail Transmission Rate – Network Service Rate	$/kWh	0.00550	-14.545%	0.00470
Sentinel Lighting				
Retail Transmission Rate – Network Service Rate	$/kW	1.71590	-14.972%	1.45900
Street Lighting				
Retail Transmission Rate – Network Service Rate	$/kW	1.70720	-14.972%	1.45160

Sheet name 15. Proposed RTSR-Network

Sheet name 15. Proposed RTSR-Network

Sheet name 15. Proposed RTSR-Network

Ontario Energy Board

3RD Generation Incentive Regulation Model

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

Rate Description	Unit	Current Amount	% Adjustment	Proposed Amount
Residential				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00490	-18.367%	0.00400
General Service Less Than 50 kW				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00450	-17.778%	0.00370
General Service 50 to 4,999 kW				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.77280	-17.351%	1.46520
General Service 50 to 4,999 kW – Interval Metered				
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	2.59940	-17.350%	2.14840
Unmetered Scattered Load				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00450	-17.778%	0.00370
Sentinel Lighting				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.39900	-17.584%	1.15300
Street Lighting				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	1.37030	-17.354%	1.13250

Sheet name 16. Proposed RTSR-Connection

Ontario Energy Board

3RD Generation Incentive Regulation Model

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

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

Rate Description	Unit	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	Unit	DVR Adjustment from R/C Model	Price Cap Index	Proposed MFC	Proposed Volumetric Charge
Residential	$	19.05		0.01860	$/kWh		0.180%	19.08	0.01863
General Service Less Than 50 kW	$	28.60		0.00850	$/kWh		0.180%	28.65	0.00852
General Service 50 to 4,999 kW	$	317.84		2.94910	$/kW		0.180%	318.41	2.95441
General Service 50 to 4,999 kW – Interval Metered	$	317.84		2.94910	$/kW		0.180%	318.41	2.95441
Unmetered Scattered Load	$	23.30		0.03930	$/kWh		0.180%	23.34	0.03937
Sentinel Lighting	$	7.57		34.49160	$/kW		0.180%	7.58	34.55368
Street Lighting	$	5.34		36.98070	$/kW		0.180%	5.35	37.04727

Ontario Energy Board

3RD Generation Incentive Regulation Model

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

Loss Factors	Current
Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0746
Total Loss Factor – Secondary Metered Customer > 5,000 kW	
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0638
Total Loss Factor – Secondary Metered Customer > 5,000 kW	

Ontario Energy Board

3RD Generation Incentive Regulation Model

Innisfil Hydro Distribution Systems Limited - EB-2011-0176

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

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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

Customer Administration

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

Sheet name 19. Other Charges

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	$	15.00
Collection of account charge - no disconnection - after regular hours	$	165.00
Disconnect/Reconnect at meter - during regular hours	$	40.00
Disconnect/Reconnect at meter - after regular hours	$	185.00
Disconnect/Reconnect at pole - during regular hours	$	185.00
Disconnect/Reconnect at pole - after regular hours	$	415.00

Other

Install/Remove load control device - during regular hours	$	40.00
Install/Remove load control device - after regular hours	$	185.00
Temporary service install & remove - overhead - no transformer	$	500.00
Temporary service install & remove - underground - no transformer	$	300.00
Temporary service install & remove - overhead - with transformer	$	1000.00
Specific Charge for Access to the Power Poles $/pole/year	$	22.35

RETAIL SERVICE CHARGES (if applicable)

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

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

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

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

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

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

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0176

RESIDENTIAL SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	19.08
Distribution Volumetric Rate	$/kWh	0.0186
Low Voltage Service Rate - Effective Until	$/kWh	0.0022
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2013	$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2014	$/kWh	-0.00319
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until April 30, 2013	$/kWh	-0.00018
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery - Effective Until April 30, 2013	$/kWh	0.0009
Rate Rider for Tax Change - Effective Until April 30,2013	$/kWh	-0.0004
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh	-0.0032
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kWh	-0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.004

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0176

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	28.65
Distribution Volumetric Rate	$/kWh	0.0085
Low Voltage Service Rate - Effective Until	$/kWh	0.002
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2013	$/kWh	0.0004
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2014	$/kWh	-0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until April 30, 2013	$/kWh	-0.00018
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery - Effective Until April 30, 2013	$/kWh	0.0006
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kWh	-0.0002
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh	-0.0026
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kWh	-0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0037

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0176

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	318.41
Distribution Volumetric Rate	$/kW	2.9544
Low Voltage Service Rate - Effective Until	$/kW	0.7883
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2013	$/kW	0.1368
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2014	$/kW	-0.78855
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until April 30, 2013	$/kW	-0.06322
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery - Effective Until April 30, 2013	$/kW	0.1301
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.0602
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW	-0.7885
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kW	-0.0632
Retail Transmission Rate – Network Service Rate	$/kW	2.2431
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.4652

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0176

STREET LIGHTING SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Distribution Volumetric Rate	$/kW	37.0473
Low Voltage Service Rate - Effective Until	$/kW	1.6331
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2013	$/kW	0.1419
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2014	$/kW	-0.96132
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until April 30, 2013	$/kW	-0.06131
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.8309
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW	-0.9613
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kW	-0.0613
Retail Transmission Rate – Network Service Rate	$/kW	1.4516
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	1.1325

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0176

SENTINEL LIGHTING SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	7.58
Distribution Volumetric Rate	$/kW	34.5537
Low Voltage Service Rate - Effective Until	$/kW	0.6065
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2013	$/kW	0.1762
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2014	$/kW	-1.31928
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until April 30, 2013	$/kW	-0.06559
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.9654
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW	-1.3193
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kW	-0.0656
Retail Transmission Rate – Network Service Rate	$/kW	1.459
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.153

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0176

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	23.34
Distribution Volumetric Rate	$/kWh	0.0394
Low Voltage Service Rate - Effective Until	$/kWh	0.002
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2013	$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2014	$/kWh	-0.00368
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until April 30, 2013	$/kWh	-0.00018
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kWh	-0.0009
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh	-0.0037
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kWh	-0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0037

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0176

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

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	318.41
Distribution Volumetric Rate	$/kW	2.9544
Low Voltage Service Rate - Effective Until	$/kW	0.7883
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2013	$/kW	0.1368
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2014	$/kW	-0.78855
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until April 30, 2013	$/kW	-0.06322
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery - Effective Until April 30, 2013	$/kW	0.1301
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.0602
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	1.8644
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	2.1484

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0176

microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	5.25

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0176

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

Customer Administration

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

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	$	15.00
Collection of account charge - no disconnection - after regular hours	$	165.00
Disconnect/Reconnect at meter - during regular hours	$	40.00
Disconnect/Reconnect at meter - after regular hours	$	185.00
Disconnect/Reconnect at pole - during regular hours	$	185.00
Disconnect/Reconnect at pole - after regular hours	$	415.00

Install/Remove load control device - during regular hours	$	40.00
Install/Remove load control device - after regular hours	$	185.00
Temporary service install & remove - overhead - no transformer	$	500.00
Temporary service install & remove - underground - no transformer	$	300.00
Temporary service install & remove - overhead - with transformer	$	1000.00

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

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

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

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

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0746
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0638

Rate Class

Street Lighting

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	5.34	5.35
Smart Meter Funding Adder	-	-
Service Charge Rate Rider(s)	0.02	-
Distribution Volumetric Rate	36.98070	37.04727
Distribution Volumetric Rate Rider(s)	(1.06970)	(2.61164)
Low Voltage Volumetric Rate	1.63310	1.63310
Retail Transmission Rate – Network Service Rate	1.70720	1.45160
Retail Transmission Rate – Line and Transformation Connection Service Rate	1.37030	1.13250
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0746	1.0746

Sheet name 21. Bill Impacts

Tab 7 – Current Tariff of Rates and Charges

Appendix A

To Decision and Order

Draft Tariff of Rates and Charges

Board File No: EB-2010-0093

DATED: March 28, 2011

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0093

RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to residential customers residing in detached, semi detached, townhouse (freehold or condominium) dwelling units duplexes or triplexes. Supply will be limited up to a maximum of 200 amp @ 240/120 volt. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	19.05
Smart Meter Funding Adder – effective until April 30, 2012	$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.16
Distribution Volumetric Rate	$/kWh	0.0186
Low Voltage Service Rate	$/kWh	0.0022
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0032
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	$/kWh	(0.0015)
Rate Rider for Tax Change – effective until April 30, 2012	$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0061
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0049

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0093

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly peak demand is less than or expected to be less than 50 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	28.60
Smart Meter Funding Adder - effective until April 30, 2012	$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.29
Distribution Volumetric Rate	$/kWh	0.0085
Low Voltage Service Rate	$/kWh	0.0020
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0032
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	$/kWh	0.0004
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	$/kWh	(0.0015)
Rate Rider for Tax Change – effective until April 20, 2012	$/kWh	(0.0002)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0045

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0093

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is expected to be equal to or greater than 50 kW but less than 5000 kW. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	317.84
Smart Meter Funding Adder - effective until April 30, 2012	$	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	4.00
Distribution Volumetric Rate	$/kW	2.9491
Low Voltage Service Rate	$/kW	0.7883
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kW	1.1162
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	$/kW	0.1368
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	$/kW	(0.5267)
Rate Rider for Tax Change – effective until April 20, 2012	$/kW	(0.0481)
Retail Transmission Rate – Network Service Rate	$/kW	2.2638
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.7728
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.1926
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	2.5994

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0093

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to a non-residential account taking electricity at 240/120 or 120 volts whose monthly peak demand is less than or expected to be less than 50 kW and the consumption is unmetered. A detailed calculation of the load will be calculated for billing purposes. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	23.30
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.16
Distribution Volumetric Rate	$/kWh	0.0393
Low Voltage Service Rate	$/kWh	0.0020
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kWh	0.0032
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	$/kWh	(0.0016)
Rate Rider for Tax Change – effective until April 20, 2012	$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0045

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0093

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	7.57
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.02
Distribution Volumetric Rate	$/kW	34.4916
Low Voltage Service Rate	$/kW	0.6065
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kW	1.1516
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	$/kW	0.1762
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	$/kW	(0.5591)
Rate Rider for Tax Change – effective until April 20, 2012	$/kW	(0.7744)
Retail Transmission Rate – Network Service Rate	$/kW	1.7159
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.3990

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0093

STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts concerning roadway lighting for a Municipality, Regional Municipality, and/or the Ministry of Transportation. This lighting will be controlled by photocells. The consumption for these customers will be based on the calculated connected load times as established in the approved OEB Street Lighting Load Shape Template. Further servicing details are available in the utility's Conditions of Service.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	5.34
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.02
Distribution Volumetric Rate	$/kW	36.9807
Low Voltage Service Rate	$/kW	1.6331
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2012 Applicable only for Non-RPP Customers	$/kW	1.1532
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2013	$/kW	0.1419
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012	$/kW	(0.5453)
Rate Rider for Tax Change – effective until April 20, 2012	$/kW	(0.6663)
Retail Transmission Rate – Network Service Rate	$/kW	1.7072
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.3703

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0093

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system.

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5.25

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0093

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Customer Administration		
Arrears Certificate	$	15.00
Easement Letter	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Returned Cheque (plus bank charges)	$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Special meter reads	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	$	15.00
Collection of account charge – no disconnection – after regular hours	$	165.00
Disconnect/Reconnect at meter – during regular hours	$	40.00
Disconnect/Reconnect at Meter - after regular hours	$	185.00
Disconnect/Reconnect at Pole – during regular hours	$	185.00
Disconnect/Reconnect at Pole – after regular hours	$	415.00
Install/Remove load control device – during regular hours	$	40.00
Install/Remove load control device – after regular hours	$	185.00
Temporary service install and remove – overhead – no transformer	$	500.00
Temporary service install and remove – underground – no transformer	$	300.00
Temporary service install and remove – overhead – with transformer	$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Innisfil Hydro Distribution Systems Ltd.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2011

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

EB-2010-0093

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

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

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

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0746
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0638
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Tab 8 – Proposed Tariff of Rates and Charges

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0176

RESIDENTIAL SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	19.08
Distribution Volumetric Rate	$/kWh	0.0186
Low Voltage Service Rate - Effective Until	$/kWh	0.0022
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2	$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2	$/kWh	-0.00319
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until Apri	$/kWh	-0.00018
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery - Effective Until Ap	$/kWh	0.0009
Rate Rider for Tax Change - Effective Until April 30,2013	$/kWh	-0.0004
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh	-0.0032
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP C	$/kWh	-0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.004

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES
Effective Date May 1, 2012
Implementation Date May 1, 2012

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

EB-2011-0176

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	28.65
Distribution Volumetric Rate	$/kWh	0.0085
Low Voltage Service Rate - Effective Until	$/kWh	0.002
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2	$/kWh	0.0004
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2	$/kWh	-0.0026
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until Apri	$/kWh	-0.00018
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery - Effective Until Ap	$/kWh	0.0006
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kWh	-0.0002
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh	-0.0026
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP C	$/kWh	-0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0037

MONTHLY RATES AND CHARGES – Regulatory Component

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

Implementation Date May 1, 2012

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

EB-2011-0176

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	318.41
Distribution Volumetric Rate	$/kW	2.9544
Low Voltage Service Rate - Effective Until	$/kW	0.7883
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2	$/kW	0.1368
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2	$/kW	-0.78855
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until Apri	$/kW	-0.06322
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery - Effective Until Ap	$/kW	0.1301
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.0602
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW	-0.7885
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP C	$/kW	-0.0632
Retail Transmission Rate – Network Service Rate	$/kW	2.2431
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.4652

MONTHLY RATES AND CHARGES – Regulatory Component

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

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EB-2011-0176

STREET LIGHTING SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Distribution Volumetric Rate	$/kW	37.0473
Low Voltage Service Rate - Effective Until	$/kW	1.6331
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2	$/kW	0.1419
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2	$/kW	-0.96132
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until Apri	$/kW	-0.06131
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.8309
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW	-0.9613
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP C	$/kW	-0.0613
Retail Transmission Rate – Network Service Rate	$/kW	1.4516
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	1.1325

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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EB-2011-0176

SENTINEL LIGHTING SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	7.58
Distribution Volumetric Rate	$/kW	34.5537
Low Voltage Service Rate - Effective Until	$/kW	0.6065
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2	$/kW	0.1762
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2	$/kW	-1.31928
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until Apri	$/kW	-0.06559
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.9654
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW	-1.3193
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP C	$/kW	-0.0656
Retail Transmission Rate – Network Service Rate	$/kW	1.459
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.153

MONTHLY RATES AND CHARGES – Regulatory Component

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

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EB-2011-0176

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	23.34
Distribution Volumetric Rate	$/kWh	0.0394
Low Voltage Service Rate - Effective Until	$/kWh	0.002
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2	$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2	$/kWh	-0.00368
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until Apri	$/kWh	-0.00018
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kWh	-0.0009
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh	-0.0037
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP C	$/kWh	-0.0002
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0037

MONTHLY RATES AND CHARGES – Regulatory Component

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

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EB-2011-0176

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

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	318.41
Distribution Volumetric Rate	$/kW	2.9544
Low Voltage Service Rate - Effective Until	$/kW	0.7883
Rate Rider for Deferral/Variance Account Disposition (2009) - Effective Until April 30, 2	$/kW	0.1368
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2	$/kW	-0.78855
Rate Rider for Global Adjustment Sub-Account Disposition (2012) - Effective Until Apri	$/kW	-0.06322
Rate Rider Lost Revenue Adjustment Mechanism (LRAM) Recovery - Effective Until Ap	$/kW	0.1301
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.0602
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	1.8644
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interva	$/kW	2.1484

MONTHLY RATES AND CHARGES – Regulatory Component

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

Innisfil Hydro Distribution Systems Limited

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microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	5.25

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

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EB-2011-0176

ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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

Customer Administration

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

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	$	15.00
Collection of account charge - no disconnection - after regular hours	$	165.00
Disconnect/Reconnect at meter - during regular hours	$	40.00
Disconnect/Reconnect at meter - after regular hours	$	185.00
Disconnect/Reconnect at pole - during regular hours	$	185.00
Disconnect/Reconnect at pole - after regular hours	$	415.00
Install/Remove load control device - during regular hours	$	40.00
Install/Remove load control device - after regular hours	$	185.00
Temporary service install & remove - overhead - no transformer	$	500.00
Temporary service install & remove - underground - no transformer	$	300.00
Temporary service install & remove - overhead - with transformer	$	1000.00

Innisfil Hydro Distribution Systems Limited

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

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

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

One-time charge, per retailer, to establish the service agreement between the distril	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail		

Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year	$	no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0746
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0638