

# Hearst Power Distribution Company Limited

925 Alexandra Street  
Hearst, ON  
P0L 1N0

October 14, 2012

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

**Re: 2102 IRM Rate Application EB-2011-0171**

Dear Ms. Walli:

Please find enclosed the application and evidence (the "Application") submitted by Hearst Power Distribution Company Limited ("Hearst Power") for new rates under Third Generation Incentive Regulation Mechanism, effective May 1, 2012.

This document is being filed pursuant to the Board's e-Filing Services.

Yours Truly,

Steven Blier  
General Manager

**HEARST POWER DISTRIBUTION  
COMPANY Limited**

**2012 IRM RATE APPLICATION**

**Rates Effective: May 1, 2012**

**EB-2011-0171**

**Submitted on: October 14, 2012**

**Hearst Power Distribution Company Limited  
925 Alexandra Street  
Hearst, ON  
P0L 1N0**

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 1

# **Exhibit 1**

## **2012 IRM RATE APPLICATION**

# **Exhibit 1**

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## **Tab 1 of 3**

# **Administration**



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# Legal Application

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## **ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O.1998, c.15 (Sched. B), as amended;

**AND IN THE MATTER OF** an application by  
Hearst Power Distribution Company Limited for an Order or  
Orders pursuant to the *Ontario Energy Board Act, 1998*  
for 2012 electricity distribution rates and related matters.

1. Hearst Power Distribution Company Limited (“Hearst Power” or “the Applicant”) distributes electricity to most inhabitants of the Town of Hearst as at March 1, 1996, pursuant to a distribution license (ED-2002-0533) issued by the Ontario Energy Board (the “Board”) and charges Board-authorized rates for the distribution service it provides.
2. Pursuant to section 78 of the Ontario Energy Board Act, 1998, Hearst Power seeks an Order or Orders of the Board establishing distribution rates and specific service charges effective May 1, 2012.
3. This application (the “Application”) is prepared in accordance with, among other Board guidelines and directions, the Update to Chapter 3 of the Board’s Filing Requirements for Transmission and Distribution Applications, dated June 22, 2011; Revision 3.0 of the Guideline G-2008-0001 – Electricity Distribution Retail Transmission Service Rates, dated June 22, 2011; and is supported by written evidence that may be amended from time to time, prior to the Board’s final decision on this Application.

- 1 4. Hearst Power has used the applicable Board-issued Excel models, such models having  
2 been subject to subsequent corrections and updates. The applicable models are:
- 3 i. 2012 IRM3 Rate Generator;  
4 ii. 2012 Revenue-to-Cost Ratio Workform  
5 iii. 2012 IRM3 Tax Sharing Workform; and  
6 iv. 2012 RTSR Adjustment Workform.  
7
- 8 5. Hearst Power has used the applicable Elenchus prepared Excel model. The applicable  
9 models is:
- 10 i. ED Rate Generator;  
11
- 12 6. Hearst Power applies for Board approval for the following matters:
- 13 • 2012 distribution rates based on 2011 rates adjusted for a price cap adjustment;  
14 • A revenue-to-cost ratio adjustment as required by OEB decision and Order (EB-  
15 2008-0248)  
16 • transfer of immaterial refund amount of shared tax savings to a deferral account  
17 to be specified by the Board.  
18 • a Lost Revenue Adjustment Mechanism rate rider to recover \$33,962.36  
19 • adjusted Retail Transmission Service Rates;  
20 • the disposition of the balances of qualifying Group 1 variance and deferral  
21 accounts as at December 31, 2010 in a rate rider effective for four years ending  
22 April 30, 2016;  
23 • disposition of the April 30, 2011 balances of USoA 1521 Special Purpose Charge  
24 Assessment Variance Account; and  
25 • disposition of the balances of USoA 1562 Deferred PIL's as at April 30, 2006;  
26

- 1 7. Hearst Power has determined that for this application the following bill impacts for  
 2 purposes of the Boards directed notice:

**Summary Of Bill Impacts**

	Delivery Bill Impact %	Total Bill Impact \$'s	Total Bill Impact %
Residential	-13.4%	-4.13	-4.1%
General Service Less Than 50 kW	-16.9%	-8.37	-3.5%

3  
4

# 1 Statement of Publication

2

3 As the Board requires a notice to be published Hearst Power confirms that Hearst Power's  
4 notice will be appearing in the following publication:

5

6 Northern Times Limited	Journal Le Nord
7 51, Riverside Drive	813 Georges Street
8 Kapuskasing, Ontario	Hearst, Ontario
9 P5N 1A7	P0L 1N0

10

11 Hearst Power is required to pay for the publication of its notice.

12

13 Hearst Power has been advised the circulation numbers of 3000 for French newspaper and 80  
14 for the English newspaper.

# 1 Application Contact Information

2

3 The following are the names and addresses of Hearst Power's authorized representative and its  
4 counsel:

5 (a) authorized representative:

6 Mr. Steven Blier  
7 General Manager  
8 Hearst Power Distribution Company Limited

9 Address for personal service

10 and mailing address: 925 Alexandra Street

11 P.O. Bag 5000

12 Hearst, ON

13 P0L 1N0

14

15 Telephone: (705) 372-2815

16 Facsimile: (705) 362-5902

17 E-mail sblier@hearstpower.com



# 1 Manager's Summary

2

3 Hearst Power is applying for distribution rates pursuant to a Third Generation Incentive  
4 Regulation Mechanism ("3rd GIRM") application (this "Application") to set distribution rates and  
5 other charges, to be effective May 1, 2012.

6

7 Hearst Power has completed the 2012 Rate Generator model provided by the Ontario Energy  
8 Board (the "OEB" or the "Board"). This Application has been prepared in accordance with  
9 Revision 3.0 of Chapter 3 of the Board's Filing Requirements for Transmission and Distribution  
10 Applications (the "Filing Requirements") dated June 22, 2011 including the key OEB reference  
11 documents listed therein and other guidelines and directions from the Board.

12

13 This Manager's Summary covers the following topics:

14

1. Relief Sought in This Application;
- 15 2. Matters Addressed in This Filing; and
- 16 3. Other Matters;

17

## 18 1. Relief Sought in This Application

19

20 Hearst Power seeks Board approval for the following:

21

### 22 **2012 distribution rates based on 2011 rates adjusted for a price cap adjustment.**

23

This is detailed in Exhibit 1, Tab 2, Schedule 1 of this application.

24

This is included on Sheet "17. GDP-IPI – X" of the 2012 IRM Rate Generator.

25

1 **A revenue-to-cost ratio adjustment as required by OEB Decision and Order (EB-2008-**  
2 **0248)**

3 This is detailed in Exhibit 1, Tab 2, Schedule 4 of this application.

4 This is included on Sheet "17. GDP-IPI – X

5

6 **Transfer of immaterial refund amount of shared tax savings to a deferral account to be**  
7 **specified by the Board.**

8 This is detailed in Exhibit 1, Tab 2, Schedule 5 of this application.

9 This is included not included in the 2012 IRM Rate Generator.

10 This is calculated using the 2012 Shared Tax Savings Workform shown in PDF format in  
11 Exhibit 2, Tab 1, Schedule 1, Appendix 3

12 Excel model 2012 Shared Tax Savings Workform submitted separately.

13

14 **A Lost Revenue Adjustment Mechanism rate rider to recover \$33,962.36**

15 This is detailed in Exhibit 1, Tab 2, Schedule 6 of this application.

16 This is included on Sheet "14. Proposed Rate\_Riders" of the 2012 IRM Rate Generator.

17 A third party report prepared by Elenchus is included in Exhibit 1, Tab 2, Schedule 6  
18 Attachment 1 of this application.

19

20 **Adjusted Retail Transmission Service Rates;**

21 This is detailed in Exhibit 1, Tab 2, Schedule 7 of this application.

22 This is included on Sheet "15. Proposed RTSR-Network" and Sheet "16. Proposed  
23 RTSR-Connection" of the 2012 IRM Rate Generator.

24 This is calculated using the 2012 RTSR Adjustment Workform shown in PDF format in  
25 Exhibit 2, Tab 1, Schedule 1, Appendix 2

26 Excel model 2012 RTSR Adjustment Workform submitted separately.

27

28 **Disposition of the balances of qualifying Group 1 variance and deferral accounts as at**  
29 **December 31, 2010;**

1 This is detailed in Exhibit 1, Tab 3, Schedule 1 of this application.

2

3 **Disposition of the April 30, 2011 balances of USoA 1521 Special Purpose Charge**  
4 **Assessment Variance Account to a deferral account to be specified by the Board.**

5

6 This is detailed in Exhibit 1, Tab 3, Schedule 2 of this application.

7

8 **Disposition of the balances of USoA 1562 Deferred PIL's as at April 30, 2006**

9 This is detailed in Exhibit 1, Tab 3, Schedule 3 of this application.

10

## 11 **2. Matters Addressed in This Filing**

12 Hearst Power addresses the following items in this filing:

13

### 14 ***Current EDR Tariff Sheet as Proposed to the Board***

15

16 For purposes of completion of this application the current Tariff sheet has been used in the 2012  
17 IRM Rate Generator for rate adjustments and bill impact calculations.

18 This is detailed in Exhibit 1, Tab 1, Schedule 6, Attachment 1 of this application.

19 This is included on the following sheets of the 2012 IRM Rate Generator”:

20 Sheet “4. Current MFC”;

21 Sheet “5. Current DVR”;

22 Sheet “6. Current Rate\_Riders”;

23 Sheet “7. Current RTSR-Network”; and

24 Sheet “8. Current RTSR-Connection”.

25

### 26 ***The Smart Meter Funding Adder***

27 Hearst Power’s Smart Meter Funding Adder of \$2.50 expires as of April 30, 2012. Accordingly,  
28 no Smart Meter Rate adders are proposed as part of the current IRM application.

29 Hearst Power plans to file an application with the Board for final disposition in 2012.

1 This is detailed in Exhibit 1, Tab 2, Schedule 8 of this application.

2 This is not included in the 2012 IRM Rate Generator.

3

#### 4 ***Proposed 2012 Tariff of Rates and Charges***

5

6 This is detailed in Exhibit 1, Tab 1, Schedule 7, Attachment 1 of this application.

7

#### 8 ***Bill Impacts***

9 Hearst Power proposes that the following bill impacts be used for notice purposes.

#### **Summary Of Bill Impacts**

	Delivery Bill Impact %	Total Bill Impact \$'s	Total Bill Impact %
Residential	-13.4%	-4.13	-4.1%
General Service Less Than 50 kW	-16.9%	-8.37	-3.5%

10

11 This is detailed in Exhibit 1, Tab 1, Schedule 8, of this application.

12 Detailed calculations per the OEB IRM Rate Generator can be found in Exhibit 1, Tab 1,  
13 Schedule 8, Attachment 1 of this application.

14 Detailed calculations per the Elenchus ED Rate Generator can be found in Exhibit 1,  
15 Tab 1, Schedule 8, Attachment 2 of this application.

16

### 17 **3. Other Matters**

18 Hearst Power does not propose changes in the following matters:

19

#### 20 ***Distribution Loss Factors, Transformer Allowance for Ownership, Specific Service*** 21 ***Charges and Retail Service Charges***

22

23 This is included on the following sheets of the 2012 IRM Rate Generator”:

24 Sheet “18. LF - Current and Proposed”;

1                   Sheet” 19. Other Charges”; and  
2                   Sheet” 20. 2012 Final Tariff”.

3

4    ***microFIT Generator Rate***

5    In EB-2009-0326, the Board directed all distributors to establish a separate service classification  
6    for microFIT generators as of September 21, 2009,. A province-wide uniform fixed monthly  
7    service charge applicable to microFIT generator accounts was set by the Board at \$5.25. Hearst  
8    Power continues to apply this monthly service charge.

9                   This is included on the following sheets of the 2012 IRM Rate Generator”:

10                  Sheet” 20. 2012 Final Tariff”.

11

12

1 Supporting Documentation

2 

---

3

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 1

Tab1

Schedule 6

Attachment1

Attachment 1 of 6

Current Tariff Sheet

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to accounts for customers residing in single dwelling units that consist of a detached house, semi detached, duplex, triplex or quadruplex house, or individually metered apartment building. 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	\$	9.00
Smart Meter Funding Adder	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.30
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	0.24
Distribution Volumetric Rate	\$/kWh	0.0156
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0043)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kWh	0.0009
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044

### 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



# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## 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	\$	19.50
Smart Meter Funding Adder	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.54
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	2.24
Distribution Volumetric Rate	\$/kWh	0.0066
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0040)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## GENERAL SERVICE 50 to 1,499 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1500 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	\$	66.00
Smart Meter Funding Adder	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	5.35
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	5.63
Distribution Volumetric Rate	\$/kW	2.7945
Low Voltage Service Rate	\$/kW	0.2270
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(1.3889)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kW	0.0079
Retail Transmission Rate – Network Service Rate	\$/kW	1.9563
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5861

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## INTERMEDIATE USERS SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 1500 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	\$	220.00
Smart Meter Funding Adder	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	26.28
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	25.06
Distribution Volumetric Rate	\$/kW	1.0077
Low Voltage Service Rate	\$/kW	0.2677
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(1.2268)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kW	0.0671
Retail Transmission Rate – Network Service Rate	\$/kW	2.1880
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8708

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is a sub-category of the street lighting load. These customers are billed on a fixed load based on the size of bulb. 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)	\$	7.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.16
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	0.46
Distribution Volumetric Rate	\$/kW	3.0778
Low Voltage Service Rate	\$/kW	0.1791
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(5.5214)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kW	0.2111
Retail Transmission Rate – Network Service Rate	\$/kW	1.4829
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2404

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting within the town, and private roadway lighting operation, controlled by photo cells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the 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.

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	5.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.02
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	0.69
Distribution Volumetric Rate	\$/kW	1.6027
Low Voltage Service Rate	\$/kW	0.1755
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(3.1332)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kW	0.0772
Retail Transmission Rate – Network Service Rate	\$/kW	1.4753
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2151

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## **microFIT GENERATOR SERVICE CLASSIFICATION**

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

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### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	5.25
----------------	----	------

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$	(0.45)
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.

<b>Customer Administration</b>		
Arrears Certificate	\$	15.00
Easement Letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	30.00
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – no disconnection	\$	30.00
Disconnect/Reconnect at Meter - during Regular Hours	\$	40.00
Disconnect/Reconnect at Meter - after Regular Hours	\$	time and materials
Install/Remove load control device – during regular hours	\$	40.00
Temporary service install and remove – overhead – no transformer	\$	time and materials
Temporary service install and remove – underground – no transformer	\$	time and materials
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## 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	1.0460
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0356
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A



Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 1

Tab1

Schedule 6

Attachment2

## Attachment 2 of 6

# Revenue Requirement Workform ("RRWF")



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.  
 File Number: EB-2009-0132  
 Rate Year: 2010

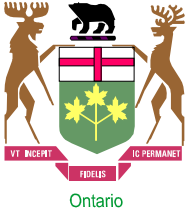
### Data Input (1)

	Application		Adjustments		Per Board Decision
<b>1 Rate Base</b>					
Gross Fixed Assets (average)	\$3,873,122	(4)			\$3,873,122
Accumulated Depreciation (average)	(\$3,053,718)	(5)			(\$3,053,718)
<b>Allowance for Working Capital:</b>					
Controllable Expenses	\$923,677	(6)			\$923,677
Cost of Power	\$6,899,032				\$6,899,032
Working Capital Rate (%)	15.00%				15.00%
<b>2 Utility Income</b>					
<b>Operating Revenues:</b>					
Distribution Revenue at Current Rates	\$752,831				
Distribution Revenue at Proposed Rates	\$1,112,844				
<b>Other Revenue:</b>					
Specific Service Charges	\$32,170				
Late Payment Charges	\$13,120				
Other Distribution Revenue	\$7,764				
Other Income and Deductions	\$15,853				
<b>Operating Expenses:</b>					
OM+A Expenses	\$923,677				\$923,677
Depreciation/Amortization	\$108,336				\$108,336
Property taxes	\$ -				\$0
<b>Capital taxes</b>					
Other expenses					
<b>3 Taxes/PILs</b>					
<b>Taxable Income:</b>					
Adjustments required to arrive at taxable income	(\$20,214)	(3)			
<b>Utility Income Taxes and Rates:</b>					
Income taxes (not grossed up)	\$9,329				
Income taxes (grossed up)	\$11,106				
Capital Taxes					
Federal tax (%)	11.00%				
Provincial tax (%)	5.00%				
Income Tax Credits	(\$7,041)				
<b>4 Capitalization/Cost of Capital</b>					
<b>Capital Structure:</b>					
Long-term debt Capitalization Ratio (%)	56.0%				
Short-term debt Capitalization Ratio (%)	4.0%	(2)			(2)
Common Equity Capitalization Ratio (%)	40.0%				
Preferred Shares Capitalization Ratio (%)					
					Capital Structure must total 100%
<b>Cost of Capital</b>					
Long-term debt Cost Rate (%)	5.87%				
Short-term debt Cost Rate (%)	2.07%				
Common Equity Cost Rate (%)	9.85%				
Preferred Shares Cost Rate (%)					

**Notes:**

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

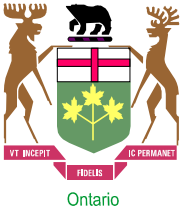
### Rate Base

Line No.	Particulars	Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$3,873,122	\$ -	\$3,873,122
2	Accumulated Depreciation (average) (3)	(\$3,053,718)	\$ -	(\$3,053,718)
3	Net Fixed Assets (average) (3)	\$819,404	\$ -	\$819,404
4	Allowance for Working Capital (1)	\$1,173,406	\$ -	\$1,173,406
5	<b>Total Rate Base</b>	<b>\$1,992,810</b>	<b>\$ -</b>	<b>\$1,992,810</b>

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$923,677	\$ -	\$923,677
7	Cost of Power	\$6,899,032	\$ -	\$6,899,032
8	Working Capital Base	\$7,822,709	\$ -	\$7,822,709
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$1,173,406	\$ -	\$1,173,406

#### Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.  
 (3) Average of opening and closing balances for the year.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

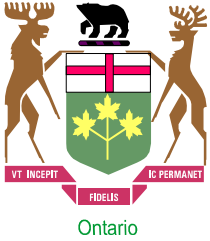
Rate Year: 2010

### Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
<b>Operating Revenues:</b>				
1	Distribution Revenue (at Proposed Rates)	\$1,112,844	\$ -	\$1,112,844
2	Other Revenue (1)	\$68,907	\$ -	\$68,907
3	<b>Total Operating Revenues</b>	<b>\$1,181,751</b>	<b>\$ -</b>	<b>\$1,181,751</b>
<b>Operating Expenses:</b>				
4	OM+A Expenses	\$923,677	\$ -	\$923,677
5	Depreciation/Amortization	\$108,336	\$ -	\$108,336
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	<b>Subtotal</b>	<b>\$1,032,013</b>	<b>\$ -</b>	<b>\$1,032,013</b>
10	Deemed Interest Expense	\$67,158	\$ -	\$67,158
11	<b>Total Expenses (lines 4 to 10)</b>	<b>\$1,099,171</b>	<b>\$ -</b>	<b>\$1,099,171</b>
12	<b>Utility income before income taxes</b>	<b>\$82,580</b>	<b>\$ -</b>	<b>\$82,580</b>
13	Income taxes (grossed-up)	\$11,106	\$ -	\$11,106
14	<b>Utility net income</b>	<b>\$71,474</b>	<b>\$ -</b>	<b>\$71,474</b>

#### Notes

(1)	<b>Other Revenues / Revenue Offsets</b>		
	Specific Service Charges	\$32,170	\$32,170
	Late Payment Charges	\$13,120	\$13,120
	Other Distribution Revenue	\$7,764	\$7,764
	Other Income and Deductions	\$15,853	\$15,853
	<b>Total Revenue Offsets</b>	<b>\$68,907</b>	<b>\$68,907</b>



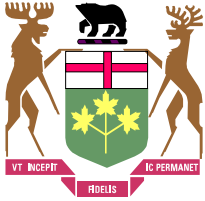
## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.  
 File Number: EB-2009-0132  
 Rate Year: 2010

### Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<b><u>Determination of Taxable Income</u></b>			
1	Utility net income	\$78,517	\$78,517
2	Adjustments required to arrive at taxable utility income	(\$20,214)	(\$20,214)
3	Taxable income	\$58,303	\$58,303
<b><u>Calculation of Utility income Taxes</u></b>			
4	Income taxes	\$9,329	\$9,329
5	Capital taxes	\$ -	\$ -
6	Total taxes	\$9,329	\$9,329
7	Gross-up of Income Taxes	\$1,777	\$1,777
8	Grossed-up Income Taxes	\$11,106	\$11,106
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$11,106	\$11,106
10	Other tax Credits	(\$7,041)	(\$7,041)
<b><u>Tax Rates</u></b>			
11	Federal tax (%)	11.00%	11.00%
12	Provincial tax (%)	5.00%	5.00%
13	Total tax rate (%)	16.00%	16.00%

**Notes**



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

Ontario

### Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
<b>Application</b>					
<b>Debt</b>					
1	Long-term Debt	56.00%	\$1,115,974	5.87%	\$65,508
2	Short-term Debt	4.00%	\$79,712	2.07%	\$1,650
3	<b>Total Debt</b>	60.00%	\$1,195,686	5.62%	\$67,158
<b>Equity</b>					
4	Common Equity	40.00%	\$797,124	9.85%	\$78,517
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	40.00%	\$797,124	9.85%	\$78,517
7	<b>Total</b>	100%	\$1,992,810	7.31%	\$145,674

<b>Per Board Decision</b>					
		(%)	(\$)	(%)	
<b>Debt</b>					
8	Long-term Debt	56.00%	\$1,115,974	5.87%	\$65,508
9	Short-term Debt	4.00%	\$79,712	2.07%	\$1,650
10	<b>Total Debt</b>	60.00%	\$1,195,686	5.62%	\$67,158
<b>Equity</b>					
11	Common Equity	40.0%	\$797,124	9.85%	\$78,517
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	40.0%	\$797,124	9.85%	\$78,517
14	<b>Total</b>	100%	\$1,992,810	7.31%	\$145,674

**Notes**

(1) 4.0% unless an Applicant has proposed or been approved for another amount.





## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.  
 File Number: EB-2009-0132  
 Rate Year: 2010

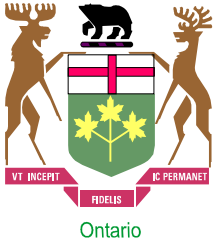
Ontario

### Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$358,673		\$358,673
2	Distribution Revenue	\$752,831	\$754,171	\$752,831	\$754,171
3	Other Operating Revenue Offsets - net	\$68,907	\$68,907	\$68,907	\$68,907
4	<b>Total Revenue</b>	<b>\$821,738</b>	<b>\$1,181,751</b>	<b>\$821,738</b>	<b>\$1,181,751</b>
5	Operating Expenses	\$1,032,013	\$1,032,013	\$1,032,013	\$1,032,013
6	Deemed Interest Expense	\$67,158	\$67,158	\$67,158	\$67,158
	<b>Total Cost and Expenses</b>	<b>\$1,099,171</b>	<b>\$1,099,171</b>	<b>\$1,099,171</b>	<b>\$1,099,171</b>
7	<b>Utility Income Before Income Taxes</b>	<b>(\$277,433)</b>	\$82,580	<b>(\$277,433)</b>	\$82,580
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	(\$20,214)	(\$20,214)	(\$20,214)	(\$20,214)
9	<b>Taxable Income</b>	<b>(\$297,647)</b>	\$62,366	<b>(\$297,647)</b>	\$62,366
10	Income Tax Rate	16.00%	16.00%	16.00%	16.00%
11	<b>Income Tax on Taxable Income</b>	<b>(\$47,623)</b>	\$9,979	<b>(\$47,623)</b>	\$9,979
12	<b>Income Tax Credits</b>	<b>(\$7,041)</b>	(\$7,041)	<b>(\$7,041)</b>	(\$7,041)
13	<b>Utility Net Income</b>	<b>(\$222,768)</b>	\$71,474	<b>(\$222,768)</b>	\$71,474
14	<b>Utility Rate Base</b>	\$1,992,810	\$1,992,810	\$1,992,810	\$1,992,810
	Deemed Equity Portion of Rate Base	\$797,124	\$797,124	\$797,124	\$797,124
15	Income/Equity Rate Base (%)	-27.95%	8.97%	-27.95%	8.97%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-37.80%	-0.88%	-37.80%	-0.88%
17	Indicated Rate of Return	-7.81%	6.96%	-7.81%	6.96%
18	Requested Rate of Return on Rate Base	7.31%	7.31%	7.31%	7.31%
19	Sufficiency/Deficiency in Rate of Return	-15.12%	-0.35%	-15.12%	-0.35%
20	Target Return on Equity	\$78,517	\$78,517	\$78,517	\$78,517
21	Revenue Sufficiency/Deficiency	\$301,285	(\$7,042)	\$301,285	(\$7,042)
22	<b>Gross Revenue Sufficiency/Deficiency</b>	<b>\$358,673 (1)</b>		<b>\$358,673 (1)</b>	

**Notes:**

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



## REVENUE REQUIREMENT WORK FORM

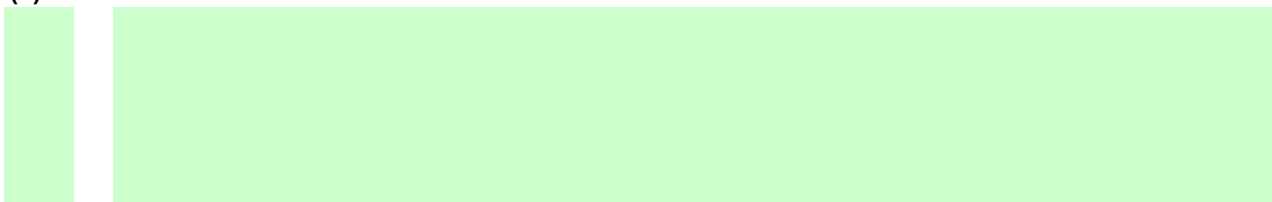
Name of LDC: Coopérative Hydro Embrun Inc.  
 File Number: EB-2009-0132  
 Rate Year: 2010

### Revenue Requirement

Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$923,677	\$923,677
2	Amortization/Depreciation	\$108,336	\$108,336
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$11,106	\$11,106
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$67,158	\$67,158
	Return on Deemed Equity	\$78,517	\$78,517
8	Distribution Revenue Requirement before Revenues	\$1,188,793	\$1,188,793
9	Distribution revenue	\$1,112,844	\$1,112,844
10	Other revenue	\$68,907	\$68,907
11	<b>Total revenue</b>	\$1,181,751	\$1,181,751
12	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	(\$7,042) (1)	(\$7,042) (1)

**Notes**

(1) Line 11 - Line 8







## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

Selected Delivery Charge and Bill Impacts Per Draft Rate Order									
		Monthly Delivery Charge				Total Bill			
		Current	Per Draft Rate Order	Change		Current	Per Draft Rate Order	Change	
				\$	%			\$	%
<b>Residential</b>	<b>800 kWh/month</b>	\$ 8.42	\$ 11.50	\$ 3.08	36.6%	\$ 91.03	\$ 95.37	\$ 4.34	4.8%
<b>GS &lt; 50kW</b>	<b>2000 kWh/month</b>	\$ 5.97	\$ 22.00	\$ 16.03	268.5%	\$ 217.13	\$ 219.71	\$ 2.58	1.2%

**Notes:**

Please see draft rate order for detailed Bill Impacts

## Attachment 3 of 6

# Reporting and Record-keeping Requirements ("RRR")

Performance Based Regulation Summary and Submit
  Labor
  Capital
  Supply and Delivery Information
  Customers, Demand and Revenue
  Utility Characteristics
  Incentive Rate Mechanism

Report Summary		
Filing Due Year	Filing Form Name	RRR Filing No
2011	2.1.5	499
Reporting Period and Company Name	Licence Type	Status
April- 2011Hearst Power Distribution Company Limited, Hearst: Corporation; ED-2002-0533; ;	Distributor	Submitted
Report Version	Extension Granted	Extension Deadline
0		
Filing Due Date	Reporting From	Reporting To
May 2, 2011	January 1, 2010	December 31, 2010
Submitted On	Submitter Name	Expiry Date
April 28, 2011	Nicole Leduc	May 3, 2011
<b>Instructions</b>		
1. Utilities that merged or were acquired subsequent to the reporting year must report data relevant to the entity as it existed prior to the merger or acquisition. 2. Under the Customers, Demand and Revenue tab, for Sentinel and Street Lighting, please enter connections not number of accounts. 3. When reporting Embedded Distributor(s), please enter the number of distributors embedded within your distribution system. 4. To delete a value that should have been blank you must delete the value and enter 0. 5. Clicking Save will not automatically submit this filing. To submit this filing, go to the Performance Based Regulation Summary and Submit tab, scroll to the end of the page, select Yes in the Submit drop down then click the Save button. 6. The Print All button will print all tabs.		
<b>Submit?</b>		
* Submit Form		
<input type="text" value="No"/>		

Performance Based Regulation Summary and Submit
  Labor
  Capital
  Supply and Delivery Information
  Customers, Demand and Revenue
  Utility Characteristics
  Incentive Rate Mechanism

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

**Line Crew Wage Rates (\$/hr)**

Please indicate the line crew wage rate in effect in the reporting year. If the line crew wage rate changed during the year, please indicate the wage rate before and after the change and the effective date of change in the Line Crew Wage Rate Change box

New Average Line Crew Wage Rate (\$/hr)	New Line Crew Wage Rate (\$/hr)	New Line Crew Wage Rate effective date
<input type="text" value="32.06"/>	<input type="text" value="31.18"/>	<input type="text" value="April 1, 2010"/>

**Labor**

Full time equivalent number of employees	Estimated average number of employees for the year whose earnings are charged to current operating expenses (Administrative, operating, and maintenance)	
<input type="text" value="6"/>	<input type="text" value="6.00"/>	
Salaries and Wages charged to current operating expenses, in dollars	Estimated average number of employees charged to new construction	Employee Salaries Wages charged to new Construction, in dollars
<input type="text" value="324,438.54"/>	<input type="text" value="4.00"/>	<input type="text" value="13,796.00"/>

Performance Based Regulation  
Summary and Submit

Labor

Capital

Supply and Delivery  
Information

Customers, Demand  
and Revenue

Utility  
Characteristics

Incentive Rate  
Mechanism

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

#### Capital (in dollars)

Please enter all amounts as positive numbers.

#### Gross Capital Additions

a) Employee labor including benefits

19,314.19

b) Equipment and materials

21,758.90

c) Capital works/Other

d) Overhead

5,518.34

e) Carrying charges

Total Gross Capital Additions (sum of a, b, c, d, & e)

46,591.43

#### Other Capital Related Information

Retirements for year (net loss amount should be positive and net gain amount should be negative)

Contributed capital for the year (Incremental)

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

**Supply and Delivery Information**

For the purposes of this section, all kWhs other than in relation to distribution losses shall be reported based on a reading of the applicable meter, without being grossed up for loss factor.

**A) Supply**

i. Total kWhs of electricity that has flowed into the distributor's distribution system from the IESO-controlled grid or the distribution system of a host distributor <input type="text" value="77,572,120.00"/>	ii. Total kWhs of electricity that has flowed into the distributor's distribution system from all embedded generation facilities <input type="text" value="26,284.00"/>	iii. Number of wholesale meters pertaining to the utility located on primary side of the supply transformers <input type="text" value="2"/>
--	--	--

**B) Delivery**

i. Total kWhs of electricity delivered to all customers in the distributor's licensed service area and to any embedded distributors <input type="text" value="73,847,934.00"/>	ii. Total kWh delivered to customers in the Large Use class <input type="text"/>	iii. Total kWhs delivered to embedded distributors <input type="text" value="57,288.00"/>
---	---	--

**C) Distribution Losses**

Distribution losses in kWhs, calculated as the difference between the supply as reported in A(i) and A(ii) above, less delivery as reported in B(i) above.

**D) Amount Charged (\$)**

Amount charged by any host distributor for transmission or low voltage services in the year

Performance Based Regulation  
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Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

### Customers, Demand and Revenues

Rate Class	Customers/Connections	Billed kW	Billed kWh	Revenues Account (4080)
Residential Customers	2,292		25,225,707.00	449,199.29
General Service < 50 kW Customers	401		11,529,904.00	129,388.83
General Service >= 50 kW Customers	38	49,410	17,814,537.00	149,723.84
Large User (>5,000 kW) Customers				
Street Lighting Connections	922	3,092	1,008,852.00	14,363.44
Sentinel Lighting Connections	10	57	20,027.00	856.33
Sub Transmission Customers				
Intermediate Service	3	59,337	18,248,907.00	37,146.80
Scattered Unmetered Load Connections				
Embedded Distributor(s)				
<b>Total (Auto-Calculated)</b>	<b>3,666</b>	<b>111,896</b>	<b>73,847,934.00</b>	<b>780,678.53</b>

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

**Utility Characteristics**

NOTE: Utilities that merged or were acquired subsequent to the reporting year must report data relevant to the entity as it existed prior to the merger or acquisition.

Total Service Area (Sq.Km)	Rural Service Area (Sq.Km)	Urban Service Area (Sq.Km)
93		93
Service Area Population	Municipal Population	Number of Seasonal Occupancy Customers
5,620	5,620	
Utility Winter Max Monthly Peak Load (kW)	Utility Summer Max Monthly Peak Load (kW)	Utility Average Peak Load (kW)
16,576	13,283	13,181
Utility Average Load Factor		
67		
Circuit Kilometers of Line	Overhead Circuit Kilometers of Line	Underground Circuit Kilometers of Line
68	57	11
Circuit Kilometers of Line by Type		
3 Phase	2 Phase	Single Phase
27		41
Total of all phases		
68		
Number of Transformers by Type		
Transmission	Sub-transmission	Distribution
		60
Number of Distribution and Transmission Stations by kV		
Number of Distribution and Transmission Stations in Total	Number of Distribution and Transmission Stations Greater Than or Equal to 50kV	Number of Distribution and Transmission Stations Less Than 50 kV



Performance Based Regulation Summary and Submit  Labor  Capital  Supply and Delivery Information  Customers, Demand and Revenue  Utility Characteristics  Incentive Rate Mechanism

Clicking Save or Apply will not automatically submit this filing. To SUBMIT this filing, scroll to the end of the page, select Yes in the Submit drop down then click the SAVE button.

**Incentive Rate Mechanism**

A distributor whose rates during all or part of the reporting period were set using an incentive rate mechanism shall report the regulatory return earned since effective date of the most recent incentive rate change.

The reported return is to be calculated on the same basis as was used in establishing the distributor's base rates.

Regulatory Return Earned Report Mailed to the Board

Comments

n/a

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 1

Tab1

Schedule 6

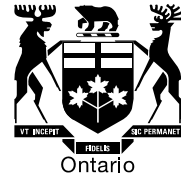
Attachment4

Attachment 4 of 6

Past Decision EB-EB-2009-0226

Ontario Energy  
Board

Commission de l'énergie  
de l'Ontario



**EB-2009-0266**

**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 Hearst Power  
Distribution Company Limited for an order approving just and  
reasonable rates and other charges for electricity distribution  
to be effective May 1, 2010.

BEFORE: Marika Hare  
Presiding Member

Ken Quesnelle  
Member

**DECISION**  
**February 15, 2011**

## BACKGROUND

Hearst Power Distribution Company Limited (“Hearst Power” or the “Applicant”) filed an application with the Ontario Energy Board (the “Board”) on April 28, 2010, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (the “Act”), seeking approval for changes to the rates that Hearst Power charges for electricity distribution, to be effective May 1, 2010. The Board assigned File Number EB-2009-0266 to this application.

Hearst Power is a licensed electricity distributor serving approximately 2,750 customers in the Town of Hearst. It is one of over 80 electricity distributors in Ontario regulated by the Board. In 2006, the Board announced the establishment of a multi-year electricity distribution rate-setting plan for the years 2007-2010. In an effort to assist distributors in preparing their applications, the Board issued the *Filing Requirements for Transmission and Distribution Applications* on November 14, 2006, amended May 27, 2009.

On January 29, 2009, the Board informed Hearst Power that it would be one of the electricity distributors to have its rates rebased for the 2010 rate year. On April 28, 2010 (amended on May 21, 2010), Hearst Power filed a cost of service application based on 2010 as the forward test year.

The Board issued a Notice of Application and Hearing dated June 11, 2010. The Board approved the Vulnerable Energy Consumers Coalition (“VECC”) as an intervenor. No letters of comment were received by the Board.

In Procedural Order No.1, issued on July 9, 2010, the Board made provision for preliminary interrogatories to clarify certain pre-filed evidence and indicated that after review of the responses to the interrogatories, it would determine the next steps. VECC and Board staff filed interrogatories. Hearst Power filed its responses to the interrogatories on September 15, 2010, and October 1, 2010.

In Procedural Order No.2, issued on October 6, 2010, the Board determined that it would proceed by way of a written hearing and made provision for a round of written supplemental interrogatories due by October 15, 2010. Submissions from Board staff and VECC were due by November 19, 2010, and a reply submission from Hearst Power was due by December 3, 2010. VECC and Board staff filed supplemental interrogatories by October 14, 2010. On October 28, 2010, Hearst Power requested an

extension to file their responses to the supplemental interrogatories and on November 15, 2010, requested a further extension. Hearst Power filed responses to the supplemental interrogatories on November 22, 2010, and additional spreadsheet files on December 9, 2010.

In Procedural Order No.3, issued November 24, 2010, the Board noted that due to the late filing of interrogatory responses, it was necessary to modify the dates set out in Procedural Order No.2. Submissions from Board staff and VECC were reset as due by December 13, 2010, and a reply submission from Hearst Power by January 4, 2011.

On December 13, 2010, Board staff and VECC filed their submissions and on January 6, 2011 Hearst Power filed its reply submission.

Hearst Power originally requested a Service Revenue Requirement of \$1,184,796<sup>1</sup> and a Base Revenue Requirement of \$1,065,866. The proposed rates were set to recover a grossed-up revenue deficiency of \$205,773<sup>2</sup>. In its reply submission, Hearst Power proposed a Service Revenue Requirement of \$1,265,046 and Base Revenue Requirement of \$1,196,139. The changes reflect increases in Hearst Power's rate base, return on rate base, PILs and OM&A costs, and decreases in amortization and the revenue offset. These adjustments reflected corrections and clarifications arising from responses to interrogatories.

The requested rate increase was estimated to be 11.08%<sup>3</sup> on the delivery component of the bill for a residential customer consuming 800 kWh in the winter and summer months. The total bill impacts were moderated by the inclusion of deferral and variance account balances that are in a credit position; as a result, the application showed a total bill increase of 2.73% (\$2.33 per month) for these Residential customers. Hearst Power did not provide updated estimates of bill impacts in its reply submission.

The full record is available at the Board's offices. The Board has chosen to summarize the record to the extent necessary to provide context to its findings.

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<sup>1</sup> Exhibit 8, Tab 1, Schedule 1, Page 1

<sup>2</sup> Exhibit 6, Tab 1, Schedule 1, Page 1

<sup>3</sup> Exhibit 8, Tab 1, Schedule 5, Page 2, Table 8.1.5.3

## THE ISSUES

The following issues were raised in the submissions of Board staff and the intervenor, and are addressed in this Decision:

- Effective date for new rates
- Rate Base and Capital Expenditures
- Customer / Load Forecast and Revenues
- Operating Costs
- Cost of Capital and Rate of Return
- Cost Allocation and Rate Design
- Deferral and Variance Accounts

## EFFECTIVE DATE FOR NEW RATES

In its application, Hearst Power requested that the Board issue an interim Order approving its proposed distribution rates and other charges effective May 1, 2010. In its Decision and Order on Interim Rates, dated June 24, 2010, the Board did not approve Hearst Power's proposed rates on an interim basis. The Decision and Order stated that were such approval granted, it might be perceived as pre-empting the outcome of the Board's review of Hearst Power's application, and would likely result in implementing further rate changes because the elements of the application had not yet been tested for prudence.

The Board determined that Hearst Power's current distribution rates should be declared interim as of May 1, 2010. The Board also stated that it would determine at a later date, if the new rates should be effective as of May 1, 2010, or as of a later date. By granting rates interim as of May 1, 2010, the Board noted, it had retained the authority to make the final rates effective as of that date, but that it is not required to do so.

In the interrogatory process, Board staff referenced<sup>4</sup> the Board's March 5, 2009, letter which advised all electricity distributors that "Applicants are encouraged to file applications for 2010 as soon as possible, and no later than August 29, 2009 for rates to become effective May 1, 2010." Hearst Power was asked to explain the reasons for the late filing of its Application. Hearst Power explained that it had advised the Board that it would be unable to meet the August 15, 2009 filing deadline because of the necessity to address Board mandated programs and local issues. Moreover, as a small and first-

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<sup>4</sup> Board staff supplemental interrogatory #3

time cost of service applicant, it had not expected the exercise to be such a time consuming exercise for its internal resources.

In its submission, Board staff noted that Hearst Power was advised in the Board's April 20, 2010 letter that if it did not file its cost of service application by April 30, 2010, then its application should be filed as a 2<sup>nd</sup> generation IRM application. Board staff noted that by not filing its Application until May 21, 2010, Hearst Power's was almost nine months late. Had Hearst Power complied with the directions in the Board's April 20, 2010 letter, it should have filed a 2<sup>nd</sup> generation IRM application.

Board staff submitted that when a utility fails to file a complete and accurate application by the required deadline, it forfeits its right to expect its new rates to be effective by May 1 of the following year. Board staff further submitted that consistent with the Renfrew Decision (EB-2009-0146), the effective date should be the beginning of the month after the issuance of the Decision.

VECC submitted that the effective date should be no earlier than October 1, 2010, which it considered to be generous. It listed effective dates later than October that might be warranted by the delays at the outset and during the proceeding, and suggested that the Board needs to send a clear signal to all applicants that not filing on time has consequences.

VECC also pointed out that the implementation date might be later than the effective date, and that there could be relatively few months remaining in the rate year to recover revenue foregone between the effective and implementation dates. It suggested that consideration should be given to extending the recovery period over a longer period than the end of the rate year.

In its reply submission, Hearst Power disagreed that there would be any value in sending a signal to other distributors concerning late applications and missed deadlines, and reiterated the circumstances that have made it difficult for Hearst to comply with the same schedule as larger distributors. It submitted that an effective date suggested by Board staff, being February 1, 2011 at the earliest, would impose a considerable loss in revenue. It recommended September 1, 2010 as a compromise that would result in a manageable loss to the utility.

**Board Findings**

The Board in its Decision and Order on Interim Rates issued on June 24, 2010, stated that by making rates interim as of May 1, 2010, the Board preserves the ability to make the final rates effective as of that date, but not the requirement to do so.

Board staff submitted that the effective date of new rates should be the beginning of the month following the Board's Decision. VECC submitted a rationale for an effective date of October 1, 2010, or later. The Applicant submitted that September 1, 2010 would be reasonable.

The Board considers the timelines it establishes for filing future test year cost of service applications to be in the public interest. The timelines allow a reasonable time for the hearing of the matter before it and provide appropriate public notice as to what may occur in the future as a result of the hearing. The Board notes that Hearst Power was required to file its 2010 cost-of-service rates application by August 28, 2009 in order to have rates effective May 1, 2010. The Board set this date in order that Hearst Power would be fully aware of the time required to process an application and could therefore plan accordingly. Further, in its letter dated April 20, 2010, the Board advised Hearst Power that if it did not file its cost-of-service application by April 30, 2010, then its application should be filed on the basis of a 2<sup>nd</sup> generation IRM. Hearst Power was eight months late in filing its application. The preparation and filing of a cost of service rebasing application should be considered a core activity for a distributor. The setting of rates based on a public hearing of the underpinning basis for the proposed revenue requirement is the manner in which the merits of the distributor's planned activities are tested. The time frame of this proceeding has eclipsed the future test year that it is based on.

The Board has therefore determined that Hearst Power's new rates will become effective on February 1, 2011

**RATE BASE AND CAPITAL EXPENDITURES**

Hearst Power requested approval of \$2,355,582 as the 2010 Rate Base<sup>5</sup>. This amount was made up of net fixed assets (i.e. Average Net Book Value) of \$1,295,485 and a Working Capital Allowance of \$1,060,098.

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<sup>5</sup> Exhibit 2, Tab 1, Schedules 1-3



In interrogatory responses<sup>6</sup>, Hearst Power modified its 2010 Rate Base value to \$2,944,609. Most of the increase was attributable to an increase in power supply expenses, and minor revisions to the Rate Base were made as individual components were updated through the discovery process.

In its reply submission, Hearst Power modified its proposed rate base to \$2,385,912. The following table shows the resulting trend in annual amounts that would comprise the rate base.

**Table 1 – Rate Base Trend (\$ million)**

Year	2006 Actual	2007 Actual	2008 Actual	2009 Projection	2010 Forecast
<b>Total Rate Base</b>	\$2.295	\$2.210	\$1.961	2.164	\$2.386

The following issues are addressed in this section:

- Smart Meters
- Capital Policies and Plan
- Accumulated Amortization
- Working Capital Allowance
- Service Quality and Reliability Performance

### **Smart Meters**

Board staff noted that the Applicant's treatment of Smart Meter-related capital expenditures in its pre-filed evidence<sup>7</sup> was unclear. It was noted that Smart Meters and their supporting communication systems appear to have been included in the Applicant's rate base in a manner that is not consistent with the Board's G-2008-0002 Guideline: Smart Meter Funding and Cost Recovery, October 22, 2008 (the "Guideline"). For example, the cost information was not audited in the manner required by section 1.5 of the Guideline. Hearst Power reiterated<sup>8</sup> that since 100% of its smart meters would be installed by end of 2010, it considered it was eligible to recover its costs through its Rate Base and regular OM&A expenses.

<sup>6</sup> Board staff interrogatory #2 and VECC interrogatory #6

<sup>7</sup> Exhibit 2, Tab1, Schedule 3, page 2

<sup>8</sup> Board staff interrogatory # 4 and Board staff supplemental interrogatory #36

Board staff suggested that it would be appropriate for Hearst Power to include in the rate base the audited costs of the smart meters installed in 2009. The residual balances associated with the 2009 smart meter installations captured in deferral accounts 1555 and 1556 should be disposed of by means of a disposition rate rider. With respect to smart meters installed in 2010, Board staff disagreed that these costs should be included in the rate base since the cost information is not audited and doing so would be counter to the Board's Guideline referenced above. Board staff took the position that, pursuant to section 1.6 of the Guideline, it would be appropriate for Hearst Power to seek recovery of smart meters installed in 2010 by means of a smart meter disposition rider once the financial information has been audited.

VECC took the same position as Board staff concerning 2010 expenditures. VECC submitted that capital spending to the end of 2009 should also be excluded from rate base at this time and continue to be included in deferral accounts due to ambiguities that it identified in the record, and a smart meter adder established accordingly.

In its reply submission, Hearst Power indicated that it no longer seeks approval to transfer into its rate base the capital cost of smart meters installed in 2010. As for the 2009 data, it submitted that there is no inconsistency, after clarifying gross versus net book values, correcting for a typographical error, and making a clearer distinction between smart meters and ordinary meters. There is therefore no reason, in the Applicant's submission, to not use the audited data as per the auditor's letter dated February 25, 2010<sup>9</sup> and to transfer the 2009 balance to Hearst Power's rate base.

### Capital Policies and Plan

Hearst Power proposed<sup>10</sup> a capital expenditure of \$248,696 in 2010. A summary of its 2006-2010 capital expenditures is shown in Table 2 below.

**Table 2 – Capital Expenditures (\$k)**

Year	2006	2007	2008	2009	2010
<b>Capital Expenditures</b>	58	52	115	463	249

Hearst Power showed<sup>11</sup> that it had included its smart meter spending in its 2009 and 2010 capital expenditures; the smart meter components included were stated to be \$437k (2009) and \$115k (2010). The remaining 2010 expenditures focus on replacing

<sup>9</sup> VECC interrogatory # 32(d), Appendix X

<sup>10</sup> Exhibit 2, Tab 5, Schedule 1

<sup>11</sup> Exhibit 2, Tab 5, Schedule 1

poles, transformers and installing transformer pads for underground distribution. No expenditure is included in this application in support of the government's Green Energy initiative.

Board staff noted in its submission that the 2010 capital expenditure proposed in the application represents a 47% decrease from 2009 which, in turn, was a 310% increase from 2008. The fluctuations were seen to be primarily a result of the inclusion of smart meter costs in 2009 and 2010.

In order to focus on the issue of non-smart meter capital expenditures, Board staff presented Table 3 below, based on updated data provided by the Applicant<sup>12</sup>. The items specifically identified by Hearst as smart meter related were excluded.

**Table 3 – Capital Expenditures Excluding Smart Meters (\$k)**

Year	2006	2007	2008	2009	2010
Capital Expenditures excluding smart meters	58	52	115	45	134

Hearst Power clarified<sup>13</sup> the matter with additional information on capital expenditures that are slightly higher than usual yet still fall below the materiality threshold:

- The \$13,000 in Buildings and Fixtures related to the warehouse roof to be replaced,
- The \$25,000 spending on Office Furniture and Equipment – folding machine,
- The \$25,000 spending on Software – Smart Meter related software (MDMR), and
- The \$12,500 spending on Transportation Equipment – Maintenance on trucks.

Board staff stated that it does not have an issue with the necessity of any of the 2010 proposed expenditures even though the 2010 total is a significant increase from the historical norm. However, Board staff noted that the \$25k software is “smart meter-related” and the \$12.5k amount is for truck “maintenance”. Thus, Board staff invited Hearst to verify that:

- the “smart meter software” is for the processing of data (e.g. billing) after the data have been received by the utility (otherwise the software should be considered a smart meter expenditure and be accounted for in a similar manner to smart meters), and

<sup>12</sup> Appendix H provided in response to VECC interrogatory #8

<sup>13</sup> Board staff supplemental interrogatory #15

- the “maintenance” performed on the trucks is a betterment that increases the resale value of the trucks and not regular maintenance which keeps the vehicles in running order (and would therefore be an OM&A cost).

VECC agreed that Hearst Power’s proposed capital expenditures were reasonable to include in the rate base, noting that the capital program over several years had consisted largely of smart meters and that the apparently high expenditures in 2010 were catching up. VECC expressed concern about the amount included in the capital program for PST (as well as in OM&A), and suggested methods by which PST savings after July 1, 2010 could be removed from the rate base.

Hearst Power confirmed in its reply argument that the software is related to MDMR rather than smart meters per se, and that the expenditures on the trucks will increase the resale value. Concerning the PST, Hearst Power pointed out that it had paid PST while it was in effect in the first half of 2010, and submitted that the amount should be recorded in a deferral account to be recovered later.

### **Accumulated Amortization**

Hearst Power acknowledged<sup>14</sup> that it had not consistently applied the half year rule throughout the historical years, but submitted that it had updated its depreciation as directed in the minimum filing guidelines. Hearst Power corrected and updated its evidence<sup>15</sup> with respect to depreciation charges for 2010 and prior years in its responses to initial and supplemental interrogatories.

In its submission Board staff said that it remained uncertain about whether the half year rule had been applied consistently by Hearst Power. VECC noted that the historical application of the half year rule affects only the most recent year, and that capital additions in 2009 had been very small (except for smart meters, as discussed above).

In its Reply Submission, the Applicant submitted that with the 2010 smart meters removed its Net Fixed Assets are \$1,228,149. It noted that VECC was in agreement with the proposal, and it addressed Board staff’s concern by confirming that it had applied the half year rule correctly.

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<sup>14</sup> Board staff interrogatory #7

<sup>15</sup> VECC interrogatory #19; Appendix 2IR\_D provided in response to Board staff interrogatory #13

## Working Capital Allowance

In its application, Hearst Power's proposed Working Capital for the 2010 Test Year was \$7,067,318<sup>16</sup> which translated to a Working Capital Allowance ("WCA") of \$1,060,098.

In an interrogatory response<sup>17</sup>, Hearst Power reduced the cost of power to \$5,409,909 with a corresponding reduction in WCA. Hearst Power showed that the 15% WCA factor had been correctly applied.

Board staff submitted that it had no issue with the WCA value provided it had been calculated on the basis of the latest-filed load forecast in Appendix 2IR\_C filed on November 22, 2010. Board staff stated that the resulting value of the WCA calculated on this basis was unclear. Board staff invited Hearst Power to confirm that the WCA value it was relying on was \$1,165,797, which was provided in response to VECC supplemental interrogatory #38. If it should be a different value, Board staff suggested that calculations showing the determination of the WCA amount should be filed.

VECC noted an apparent discrepancy between the explanation of the commodity cost for power delivered to RPP customers, versus the values actually used in the calculation. Hearst Power responded that the cost of power it had used for RPP customers was the same as was used by other applicants who had filed draft rate orders in December 2010.

## Service Quality and Reliability Performance

Hearst Power showed<sup>18</sup> that its Service Quality Indicators exceed SQI standards. Its service reliability statistics (SAIDI: System Average Interruption Duration Index and SAIFI: System Average Interruption Frequency Index) indicated that the frequent and long-duration outages in the service area were substantially the result of Hydro One outages, while Hearst Power's own performance in this regard was satisfactory. In an interrogatory response<sup>19</sup>, Hearst Power provided statistics which excluded the Hydro One influence. Excerpts from the response are provided in Tables 4 and 5.

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<sup>16</sup> Exhibit 2, Tab 1, Schedule 2, page 2 and Exhibit 2, Tab 4, Schedule 1

<sup>17</sup> Board staff supplemental interrogatory #9

<sup>18</sup> Exhibit 2, Tab 7, Schedules 1-2

<sup>19</sup> Board staff supplemental interrogatory #11

**Table 4 – Reliability Statistics (*including* Hydro One effect)**

YEAR	SAIDI -Annual	SAIFI - Annual
2006	10.73	5.79
2007	11.73	5.91
2008	1.20	0.95
2009	6.66	10.32

**Table 5 – Reliability Statistics (*excluding* Hydro One effect)**

YEAR	SAIDI -Annual	SAIFI - Annual
2006	1.60	0.98
2007	0.65	0.92
2008	1.20	0.95
2009	5.67	3.45

Board staff noted that there was a significant increase in both outage duration (SAIDI) and outage frequency (SAIFI) values for 2009. It submitted that no evidence was provided to explain the sudden large increase, and thus questions arose regarding the soundness of Hearst's distribution system and the ability of Hearst's field resources to rectify outages. In addition, Hearst Power modified<sup>20</sup> its 2005-2008 Total Loss Factor which averaged 1.0443, to include 1.0563 for 2009. Board staff submitted that the Applicant had not provided a full explanation of the apparent diminishing health of its distribution system in determining its capital expenditures and OM&A.

Hearst Power replied that its system is reliable and that the statistics are picking up supply outages upstream of its system. It plans to review its accounting reporting procedures to ensure that the distinction will be made correctly.

### ***Board Findings***

The Board notes that Board staff and VECC supported the net fixed asset portion of Hearst Power's rate base, with the withdrawal of 2010 smart meters and with the half-year rule correctly applied. The Board accepts Hearst Power's submission of the average balance of net fixed assets.

As noted above, in its final submission Hearst Power withdrew its proposal to transfer the smart meters installed in 2010 into its Rate Base. Hearst Power submitted that the balance at the end of 2009 should be included in its rate base, citing the letter from

<sup>20</sup> Board staff supplemental interrogatory #34

Hearst Power's auditor dated February 25, 2010. Board staff and VECC agreed with this submission. However, the Board will not approve the transfer of any of the balance in account 1555 to Hearst Power's rate base in this Decision. The Board considers that the requirements of the Guidelines G-2008-0002, section 1.5 have not been fully satisfied in the record before the Board. Several requirements outlined in the Guideline have not been filed or contain insufficient detail, precluding the Board from assessing whether these costs were prudently incurred. While not approving the transfer of the costs of smart meters installed in 2009 into rate base, the Board does make provision for partial recovery of smart meter costs later in this Decision.

In response to Board staff concerns about proposed capital spending on items of software and on transportation equipment, Hearst Power confirmed that the software expenditure would not be included with smart meters, and that the expenditure on equipment will increase the resale value of the assets. With this confirmation, the Board agrees that the expenditures in question shall be included in Hearst Power's rate base.

Hearst Power sought to record PST amounts actually paid in the first six months of 2010 in a deferral account for future recovery. VECC submitted an alternative approach but did not object to Hearst Power's proposal. The Board approves Hearst Power's proposal to remove the PST paid on the 2010 capital additions and record actual PST paid in the first six months of 2010 in a deferral account for future recovery.

Hearst Power submitted a Working Capital Allowance (WCA) for the 2010 test year of \$1,163,143, which was based on 15% of the forecast cost of power and controllable expenses.<sup>21</sup> The Board notes that neither VECC nor Board staff objected to the WCA requested. The Board expects that the Applicant will include a detailed calculation of the updated WCA with its Draft Rate Order. The update will include Hearst Power's transmission costs and if necessary, its forecast of Low Voltage costs, as directed later in this Decision.

The Board notes that the reliability statistics suggest that 2009 was a poor year for both Hearst Power's own system and Hydro One's systems upstream from Hearst. The Board will be interested in its distribution reliability statistics in future years.

### **CUSTOMER / LOAD FORECAST AND REVENUES**

The following issues are addressed in this section:

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<sup>21</sup> Excel file 'Hearst\_Rate Model\_ SUPPIRS\_20101209', submitted December 9, 2010

- Customer and Load Forecasts
- Throughput, Distribution and Other Revenues

### Customer and Load Forecasts

Hearst Power initially filed a forecast of its customers/connections in the test year at 3,503. Board staff observed that the number of customers/connections had remained virtually constant at 3,705 over the 2006-2008 period, dropping to 3,680 in 2009 and increasing to 3,686 in the 2010 forecast<sup>22</sup>. The forecast was corrected to 3686, based on a stable number of customers, a small increase in the number of streetlight connections, and a gradual decrease in the number of sentinel light connections. Board staff expressed its view that the proposed customers/connections forecast is reasonable.

Hearst Power used a variation of the Normalized Average Consumption (NAC) approach to develop its 2010 load forecast in its application<sup>23</sup>. It was initially unclear whether the methodology included explicit weather normalization, or was based on data averaged over several years. The load was variously expressed<sup>24</sup> as a “2010 Test Year Forecast” of 86,167,555 kWh and a “2010 Test Year Weather Normalized (forecast)” of 116,205,364 kWh<sup>25</sup>.

The Applicant confirmed that classes with weather sensitive loads were handled differently from those whose load is not affected by weather. It confirmed that the load forecast of weather-sensitive classes was a five year-average, and was not based on the weather-normalized loads provided by Hydro One in 2006.<sup>26</sup> Board staff noted that most utilities that develop a weather normalized load forecast achieve this by incorporating heating degree days and cooling degree days; Board staff submitted that a forecasting methodology like Hearst Power’s, that does not use any weather normalization and does not consider trends in usage, is not sound.

On September 30, 2010, Hearst Power filed an “Addendum to Cost of Service Application EB-2009-0266” that contained “an alternate load forecast” of 77,587,715 kWh. The principal change in the filing was that the initial forecast of the Intermediate

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<sup>22</sup> VECC interrogatory #10, and Board staff supplemental interrogatories, Appendix 2IR\_F

<sup>23</sup> Exhibit 3, Tab 2, Schedules 1-4

<sup>24</sup> Exhibit 3, Tab 2, Schedule 3, page 4

<sup>25</sup> Board staff interrogatory #8

<sup>26</sup> Board staff supplemental interrogatory #17



class had included the assumption that load lost in 2007-2008 would be regained in the test year, but subsequent events proved that assumption to be inaccurate.

From Hearst Power's comparison of the 2010 kWh forecast and the 2010 kWh actual usage to date<sup>27</sup>, Board staff concluded that, on a proportional basis, the forecast value is just slightly higher than the trending actual. This observation together with the explanation provided by Hearst that there appeared to be little chance that the recently shut-down production lines would re-open in the foreseeable future, led Board staff to conclude that the proposed load forecast result is reasonable. Board staff therefore submitted that the 77,587,715 kWh load forecast should be approved by the Board.

VECC noted that Hearst Power's load forecast is 2.6% below the actual usage in 2009. However, it acknowledged that weather normalization requires an intensive effort, and submitted that the forecast should be accepted as modified for 2010. It suggested that the Board should encourage Hearst Power to explore other approaches to load forecasting for use in its next cost-of-service application.

### **Throughput, Distribution and Other Revenues**

Hearst Power forecast Other Revenues (i.e. Revenue Offsets) for 2010 to be \$118,930<sup>28</sup>. This amount is used consistently in the application, notably in the Revenue Requirement Work Form and in the Cost Allocation model. However, the proposed amount was subsequently reduced to \$68,907 by Hearst Power<sup>29</sup>.

Board staff stated that most of the components of Other Revenues were reasonably stable over the historical and forecast periods, or that there were intuitive explanations for changes (e.g. low interest rates for investments). Board staff noted that additional information<sup>30</sup> supported the reasonableness of components of the revenue offset within the original amount. VECC submitted that the revised amount was in line with previous years.

VECC however also expressed a number of concerns with Hearst Power's accounting with its affiliates. In particular Hearst Power provides labour for street light maintenance, to be performed in future by Hearst Power Sales and Service, but

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<sup>27</sup> Board staff supplemental interrogatory #19

<sup>28</sup> Exhibit 3, Tab 3, Schedule 1

<sup>29</sup> VECC interrogatory 11a and Appendix N

<sup>30</sup> Board staff supplemental interrogatory #21

appears to not include any payment for such services in its revenue offset.<sup>31</sup> In the absence of more specific information, VECC submitted that the Board should direct Hearst Power to provide clearer explanations of its costs and revenues associated with its affiliates, both with the Town of Hearst and with Hearst Power Sales and Service.

Hearst Power replied that the confusion appears to involve posting amounts to account 4235 instead of 4325. It plans to have a consultant review its internal accounting procedures.

### ***Board Findings***

The Board has based most distribution rate decisions on a load forecast of weather-sensitive loads that is weather-normalized, and based on a lengthy record of weather and load information. The Board is sympathetic to the argument that trending of average consumption data would produce a more meaningful load forecast than one based on averages.

The Board notes that Board staff and VECC agreed that Hearst Power's forecast of 3686 customers and 77, 587,715 kWh was reasonable. The Board accepts this forecast and the forecasts of billing quantities that are based on them.

The Board agrees with VECC's submission that Hearst Power should explore improved methods of load forecasting for its next cost-of-service application. Hearst Power should be mindful of the need to weigh the cost and associated rate impacts of achieving a more robust forecast against the benefits gained.

With respect to the proposed revenue offset, the Board notes that the larger amount of Revenue Offset submitted in the original Application was not supported by detailed evidence, whereas the revised lower amount is supported in the interrogatory response. VECC submitted that the revised amount was consistent with the amounts recorded in previous years. The Board approves the proposed revenue offset of \$68,907.

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<sup>31</sup> Response to VECC supplemental interrogatory # 47(b)

## OPERATING COSTS

The following issues are addressed in this section:

- Operating, Maintenance and Administration Expenses (OM&A)
- Income and Capital Taxes

### Operating, Maintenance and Administration Expenses

In its application<sup>32</sup>, Hearst Power requested approval of \$867,878 for total OM&A expenses for the 2010 test year. It clarified certain ambiguities and provided a consistent set of historical and forecast OM&A details<sup>33</sup>, and revised its OM&A forecast to \$935,399. A summary of the updated data<sup>34</sup> is shown in Table 6.

**Table 6 – Summary of OM&A Expenses**

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Forecast</b>
<b>OM&amp;A Expenses</b>	\$641,459	\$665,483	\$695,799	\$802,639	\$935,399

Hearst Power explained that the additional costs it will incur in 2010 include the meter reading program in support of smart meters, an additional employee in preparation for a planned retirement and the increased costs resulting from a negotiated labour settlement.

Hearst Power leases office space from the Town of Hearst and the utility in turn provides water meter reading and billing services, street light maintenance and related services to the Town. Hearst Power provided details of the monetary value of a number of its Purchased Services.

Hearst Power also filed evidence<sup>35</sup> that showed the portion of the utility's wages that was used to provide support activities for the Town of Hearst which was fully paid for by the Town. Board staff examined Hearst Power's affiliate relationships and concluded it had no issue. It also followed up<sup>36</sup> on details of the tendering process for a number of Hearst Power's larger expenditures and submitted that it had no issue.

<sup>32</sup> Exhibit 4, Tab 2, Schedule 1, page 1

<sup>33</sup> Board staff interrogatory #10 and VECC interrogatory #13

<sup>34</sup> Appendix BS-G and Board staff supplemental interrogatory #23

<sup>35</sup> VECC interrogatory # 17

<sup>36</sup> Board staff supplemental interrogatory #28

Board staff calculated that total compensation increased by 3.0% per annum over the 2006-2010 period. Hearst Power reported<sup>37</sup> it had used a zero inflation rate for its non-labour expenses in 2009 and 2010, and the inflation rate used for the 2010 OM&A forecast<sup>38</sup> was not a specific inflation factor but rather each account had been looked at individually.

Board staff noted that OM&A during the 2006-2008 period increased by 4.2 % per annum, from 2008 to 2009 OM&A increased by 15.4%, and from 2009 to 2010 OM&A is forecast to increase by 16.5 %. Measured over the 2006-2010 period, the average increase was noted to be 11.5 % per annum.

Hearst Power showed<sup>39</sup> its OM&A expenses up to September 30, 2010, totaled \$535k, which as Board staff noted would equal a full-year expenditure of \$713k on a proportional basis. Hearst Power emphasized that it had “held off on most of its 2010 spending until the proposed revenue requirements is approved”. The extrapolated 2010 year-to-date expenditure of \$713k would be an 11.2% reduction from the 2009 actual.

Hearst Power stated<sup>40</sup> that additional OM&A cost drivers from 2008 to the 2009 bridge year included the use of outside services in support of its rebasing application (\$108k was the 2009 component) and employee pension and benefits resulting from resolution of an earlier strike (\$83k). From 2009 to 2010, a main cost driver was associated with the reading of smart meters (\$52k).

In an interrogatory response<sup>41</sup>, Hearst Power provided detailed calculations of its regulatory costs, comprised of a revised rebasing cost estimate of \$207,649 and IRM estimate of \$62,436, which together totaled \$270,085. The response stated that \$67,521 (i.e. \$270,085 / 4) had been added to the Outside Services account, bringing the total OM&A from its previous value of \$867,878 to \$935,399. Board staff noted however, that it appeared that in Hearst Power’s response, \$76,516 (not \$67,521) had been added to the 2010 OM&A expenses to achieve the \$935,399 total. This suggested to Board staff that the total regulatory amount was \$306,064.

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<sup>37</sup> VECC interrogatory #14

<sup>38</sup> Board staff supplemental interrogatory #23

<sup>39</sup> Board staff interrogatory #23 and Appendix 2IR\_G

<sup>40</sup> Appendix 2-H

<sup>41</sup> VECC interrogatory #15

Hearst Power clarified that the apparent discrepancy in regulatory costs identified by Board staff is due to \$8995 per year for regulatory consulting needs other than rate applications, and that the total is \$76,516 when this amount is included.

Regarding OM&A expenses, Board staff suggested that the very large percentage increases that Hearst Power had experienced – and expected to experience – were attributable to expenditures which would be of the same dollar magnitude for any utility. They appear to be excessive in percentage terms for Hearst because of its small size. For example, Board staff noted that Hearst Power had reported<sup>42</sup> that, in anticipation of an expected retirement, it hired an apprentice line maintainer at a cost of \$91k in 2010 – this is 9.9% of its 2010 OM&A cost. (Hearst Power stated<sup>43</sup> that its apprentices are trained outside of Hearst and that the \$91k included travel and accommodation costs.) Similarly, Board staff noted that the cost to obtain external assistance for its current rebasing was not dissimilar to that for much larger utilities but, again, represented a much larger percentage increase for Hearst Power.

VECC questioned whether PST expenses in the proposed revenue requirement are for a full year and that savings in PST after mid-year 2010 may not have been reflected. Hearst Power submitted that the same approach to PST should be used for OM&A as for capital expenditures, and reiterated its proposal to remove all PST for the revenue requirement and instead record actual PST in a deferral account, to be disposed of later.

VECC submitted that depreciation expenses related to smart meters should be reduced if the capital costs of smart meters are recorded in a deferral account as advised by VECC. Hearst Power calculated depreciation in this scenario at \$135,888, and provided a revenue requirement work form with this amount.<sup>44</sup>

Hearst Power confirmed<sup>45</sup> that it had not included any late payment penalty litigation costs. Hearst Power included no provision for LEAP, did not seek recovery of any cost associated with the *Green Energy Act*, and noted that it makes no charitable donations.

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<sup>42</sup> Exhibit 4, Tab 1, Schedule 1, page 1

<sup>43</sup> VECC interrogatory #12

<sup>44</sup> IRR Appendices, Appendix 2

<sup>45</sup> Board staff supplemental interrogatories #26 and #30

## **Income and Capital Taxes**

Certain data relating to PILs calculations appeared to be missing and/or variously stated in the application. The amount of PILs included in the 2010 revenue requirement was \$14,479. Hearst Power filed a revised PILs model<sup>46</sup> in response to an interrogatory, with PILs equal to \$31,038. On November 22, 2010 it filed a Revenue Requirement Work Form with PILs equal to \$23,652. On December 9, 2010 it filed a further revision to the PILs model, resulting in an amount \$27,260.

VECC noted that there were discrepancies remaining between the PILs calculations and the RateMaker model, and invited Hearst Power to provide an explanation. In its reply argument, Hearst Power stated that the model filed on December 9 was incorrect. It stated that problems with its PILs model had been rectified and that the effect on the revenue requirement was a reduction of \$20. The submission neglected to say which of the previous calculations was to be reduced by this amount.

## ***Board Findings***

The Board accepts Hearst Power's submissions concerning the increase in its OM&A expenses, and its costs of Outside Services including the cost of supporting rate applications. The Board also approves the components of the amount of \$935,399 for inclusion in the revenue requirement, except for the following issue.

The Board has noted above its acceptance of Hearst Power's proposed treatment of PST actually paid for capital spending during the first half of 2010. The Board also approves Hearst Power's proposal to remove the PST included in the 2010 OM&A and record actual PST paid in the first six months of 2010 in a deferral account for future recovery. The Board expects that Hearst Power will show in the supporting documentation for the Draft Rate Order that the PST has been effectively excluded from the test year revenue requirement.

The Board directs that depreciation on smart meters installed shall not be included in the revenue requirement, and shall continue to be recorded in account 1555. Hearst Power shall update its depreciation expense to be consistent with the Board's decision on Smart Meters, and the Board expects appropriate supporting documentation with the Draft Rate Order.

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<sup>46</sup> Board staff interrogatory #11

The Board does not have evidence on the latest calculation of Hearst Power's PILs expense. In its reply submission, Hearst Power acknowledges that the calculation it had filed was incorrect. It suggests that the inaccuracy was quite small, but it does not make clear whether all three of the inconsistencies identified in VECC's submission were addressed or indeed whether any of them were addressed. In any event, the return on equity is affected by the Board's Decision to not allow smart meter costs in the rate base, and Hearst Power is required to include a revised PILs calculation as a result.

The Board agrees with VECC's submission that more transparency is required with respect to Hearst Power's expenses and revenues related to its affiliates. The Board expects Hearst Power to afford this matter its utmost attention, in particular by ensuring that its records show clearly all costs incurred by Hearst Power that ultimately result in revenue for Hearst Power Sales and Service.

### **COST OF CAPITAL AND RATE OF RETURN**

In the application<sup>47</sup>, Hearst Power applied for a 7.31% cost of capital which it expected would produce a return of \$179,378<sup>48</sup>. The components of the Cost of Capital requested were:

- Long-term Debt: 5.87%
- Short-term Debt: 2.07%
- Equity : 9.85%

Hearst Power requested approval for a capital structure of 60% debt and 40% equity. It noted that it had a demand promissory note from the Town of Hearst, with a debt rate of 12% p.a. and with the principal variously stated as \$1.8 million and \$1.7 million. It explained<sup>49</sup> that the promissory note was for \$1.8 million with a remaining balance of \$1.7 million, and confirmed<sup>50</sup> that the promissory note is payable to the Town on demand.

Hearst Power was asked to explain why<sup>51</sup>, in the process of responding to the preliminary interrogatories, it had increased the long-term debt rate from 5.87% in the

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<sup>47</sup> Exhibit 5, Tabs 1-3

<sup>48</sup> Exhibit 5, Tab 1, Schedule 2, page 3

<sup>49</sup> Board staff interrogatory # 12 and Board staff supplemental interrogatory # 31

<sup>50</sup> VECC interrogatory #21

<sup>51</sup> Board staff supplemental interrogatory #9 and VECC supplemental interrogatory #40

original filing to 12.5% in the latest filing. Hearst Power responded that the rate should have been set at the Board's prescribed ceiling of 5.87%<sup>52</sup> and that this had been rectified in its updated filing.

Board staff stated that it had no issue, on the understanding the long term debt calculation is based on \$1.7 million and the Board's ceiling rate of 5.87% is used for the revenue requirement. VECC concurred with this position. Hearst confirmed that it is seeking approval of this cost of debt.

### ***Board Findings***

The Board approves the capital structure of Long Term Debt 56%, Short Term Debt 4%, and Equity 40%. It approves the rate of 5.87% on the Long Term Debt, 2.07% on the Short Term Debt, and 9.85% rate of return on Equity.

## **COST ALLOCATION AND RATE DESIGN**

The following issues are addressed in this section:

- Definition of Intermediate Class
- Revenue to Cost Ratios
- Monthly Fixed and Volumetric Rates
- Transformer Ownership Allowance
- Retail Transmission Service Rates
- Low Voltage Charges
- Loss Factors
- Rate Schedules and Bill Impacts

### **Intermediate Class**

Hearst Power has requested that its Intermediate class be defined by billing demand of 1500 kW in place of 3000 kW. The rationale is that the this billing demand is more than 10% of Hearst Power's average peak load, and that this percentage was also the rationale for the previous definition of the class. Board staff and VECC did not make submissions on this issue.<sup>52</sup>

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<sup>52</sup> Exhibit 3, Tab 2, Schedule 1, p. 1



## Revenue to Cost Ratios

In the application<sup>53</sup>, Hearst Power provided its revenue to cost ratios based on 2006 data. In response to interrogatories, Hearst Power noted<sup>54</sup> that certain updates had not been made in accordance with the Board's guidelines and therefore revisions to the Cost Allocation Study were required. Significant changes to the previously-filed cost allocation methodology were made and updated results were filed on November 24, 2010.<sup>55</sup> At the same time Hearst Power submitted a different set of 2010 distribution rates along with supporting bill impact calculations.<sup>56</sup>

VECC noted that the revenue to cost ratios that would result, if there were a uniform percentage increase in all distribution rates to yield the requested revenue requirement, are found in the updated cost allocation study. The ratios are shown in column 2 of Table 7 below. VECC listed the revenue to cost ratios proposed by Hearst Power for 2010, as ultimately submitted in response to the supplementary round of interrogatories. These ratios are shown in column 3 of Table 7.

VECC expressed doubts about whether the revenues accurately reflected Hearst Power's revised load forecast in the distribution revenues, as well as the Applicant's proposed lower transformer ownership allowance. VECC also noted that total Miscellaneous Revenue was not equal to the updated revenue offset.

**Table 7 Revenue to Cost Ratios (%)**

<b>Customer Class</b>	<b>Existing (Uniform Increase)</b>	<b>Proposed Ratios</b>
Residential	97.79	100
GS<50 kW	104.40	99
GS > 50 kW	281.76	166
Intermediate	42.99	80
Street Light	18.21	70
Sentinel Light	62.96	70
Total	100.00	100

<sup>53</sup> Exhibit 7

<sup>54</sup> Preamble to Board staff interrogatory #14 and VECC interrogatory #23

<sup>55</sup> Response to Board staff supplemental interrogatory # 32; Hearst Rate Model HP-2010\_20101209 worksheet O1.

<sup>56</sup> Responses to Board staff supplemental interrogatories, Appendix 2IR\_A; Response to Board staff supplemental interrogatory #1 (RateMaker file 'Suppl IRs\_20101122')

In its reply submission, Hearst Power submitted corrected distribution revenues at existing rates. With respect to the revenue offset, the Applicant reiterated that its allocation methodology was reasonable, but it acknowledged VECC's concern about the inconsistent total amount of revenue offset. It proposed to rectify the matter with its draft rate order.

With respect to rate re-balancing VECC questioned whether there was adequate reason to move the ratio for the Residential class upwards. It also submitted that it was inappropriate to move the ratio for the GS<50 kW class in the opposite direction from above 100% to below 100%. Hearst Power submitted that the bill impacts on the Residential class are below 10% and that the economy has been difficult for small business in its service area.

VECC agreed that a substantial decrease in the ratio of the GS > 50 kW class was appropriate, but questioned why it should be moved below the boundary in the Board's policy range. VECC pointed out that the Residential ratio is being increased, apparently to enable this decrease, as the Residential ratio is already within its range.

VECC agreed with the proposal to increase the ratios of the remaining classes to the lower boundary of their respective ranges. It pointed out that increases of larger magnitudes have often been phased in over several years in order to mitigate bill impacts.

### **Monthly Fixed and Volumetric Rates**

The Applicant stated<sup>57</sup> that the fixed rates were established using the guidance provided in the cost allocation model for determining maximal values and minimal values. The proposed approach was to set the fixed rate no higher than the Monthly Service Charge ceiling as calculated in the updated cost allocation model. Board staff noted that the proposed Monthly Service Charge for all classes except Street Lights was within the calculated minimum/maximum range.

The fixed:variable percentage for Residential and Street Light decreased in the proposed design, relative to the existing percentage, while the fixed-rate percentage for all other classes increased – in some cases quite substantially<sup>58</sup>. VECC submitted a

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<sup>57</sup> Exhibit 8, Tab 1, Schedule 1

<sup>58</sup> Exhibit 8, Table 8.1.1.2, and updated in response to VECC # 25(g).

table showing the proposed Monthly Service Charges, the range based on the most up-to-date 2010 cost allocation study, and also what the Monthly Service Charge would be if the existing fixed:variable percentage were to be maintained in the new rates.

Where the fixed:variable ratio is being decreased, Hearst Power's rationale was to promote conservation. VECC agreed with this proposal as it affects the Residential class. The fixed:variable ratio for the General Service classes is increased, but the fixed rate would be within the Board's guidelines. For the Intermediate class, maintaining the existing fixed:variable ratio would yield a Monthly Service Charge well below the lower boundary of the policy range. Hearst Power's proposal is a fixed:variable ratio higher than the existing ratio, but with a Monthly Service Charge remaining still below the lower boundary. VECC supported the proposal for the classes other than Residential as well.

With respect to the Intermediate class, Hearst Power clarified that it proposes to move to the lower boundary of the policy range over a period of three years. The proposed Monthly Service Charge is \$320 per month. The lower boundary is \$543.38 per month.<sup>59</sup>

### **Transformer Ownership Allowance**

Hearst Power proposed to decrease the Transformer Ownership Allowance (TOA) from \$0.60 per kW to \$0.35 per kW.

Board staff noted that Hearst Power had been asked<sup>60</sup> to provide details of the TOA adjustment it planned to make. Hearst Power's response, reiterated in its reply submission, was that it could not provide calculations supporting the reduction of the TOA. It submitted that "Considering the age of the assets, Hearst considers an allowance of \$0.35 to be fair and reasonable." Board staff submitted that this was an inadequate basis and that the Board should reject the requested TOA change.

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<sup>59</sup> 'Run 3 2010 Cost Allocation Filing: HPL-2010', worksheet O2.

<sup>60</sup> Board staff supplemental interrogatory #33

## Low Voltage Charges

The Applicant stated<sup>61</sup> that it had a 24% over-recovery on its Low Voltage (LV) charges and the current rates were reduced by this percentage to arrive at the proposed rate. It submitted a forecast 2010 cost of \$77,713<sup>62</sup>. VECC submitted that there were inconsistencies in the information provided in support of this estimate, initially in terms of the Hydro One rates used and later in terms of the updated load forecast.

Hearst Power acknowledged VECC's argument, and submitted a revised forecast of its costs at \$53,000. It pointed to an appendix which would show the details, though no appendix was found. It proposed to update the values of LV charges.<sup>63</sup>

## Loss Factors

The total loss factor currently approved for Hearst Power is 1.0509. Hearst Power provided detailed calculations in support of the requested Loss Factors. Hearst Power originally proposed a 5-year average rate of 1.0419 based on the 2004-2008 Total loss factors. It changed its request to 1.0460 in the update filed in response to Board staff supplemental interrogatories.<sup>64</sup>

Board staff asked why Hearst Power's Total Loss Factor was trending upwards over time and, while not addressing the reason(s) behind the upward trend, Hearst Power stated<sup>65</sup> it had made an error in using the 2004-2008 average (which produced the 1.0419 value). Hearst Power stated it should instead have used the 2005-2009 average. Board staff noted that because the 2009 Total Loss Factor had suddenly increased to 1.0563 (which is in excess of the Board's 5% threshold), the new 5-year average increased to 1.0460 and is the new value for which Hearst Power requested approval. This is also the value it utilized both in the latest-filed rate schedule<sup>66</sup> and in its cost of power calculations. Board staff noted that, if Hearst Power had filed its application on time, the 2009 value would not have been known and the updated value would not have been an issue. It submitted that the appropriate loss factor value would be 1.0419. Board staff further submitted that Hearst Power should, before its next cost

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<sup>61</sup> Exhibit 8, Tab 1, Schedule 3

<sup>62</sup> VECC interrogatory #25

<sup>63</sup> Hearst Power Reply Submission, p. 26.

<sup>64</sup> Exhibit 8, Tab 1, Schedule 4; response to Board staff supplemental interrogatory # 1, Appendix 2IR\_A.

<sup>65</sup> Board staff supplemental interrogatory #34

<sup>66</sup> Appendix 2IR\_A

of power rates application, undertake a study to examine its losses and file a report with the Board detailing the actions it has completed and has planned to undertake in the two years following the issuance of the report.

VECC supported the proposed loss factors.

Hearst Power argued that its proposed loss factor is less than 1.05, though the 2009 statistic is above this amount. It submitted that the requirement for a study is inappropriate.

### **Retail Transmission Service Rates**

Hearst Power filed evidence<sup>67</sup> which showed that it has been over-recovering on its Retail Transmission Service Rates (RTSR). The data showed the RTSR network charge over-recovery was 3.86% and the RTSR line connection charge over-recovery was 18.08%. As a consequence, Hearst Power proposed a reduction in its RTSRs. Hearst Power is an embedded distributor and is served by Hydro One Distribution at its Retail Transmission Service Rates applicable to the Sub-transmission class. It provided two updates to its RTSR calculations, in response to an interrogatory and a supplemental interrogatory from VECC<sup>68</sup>. The cost calculations show a component of cost from the IESO, due to provision of service from Hydro One Transmission, as well as a component from Hydro One Distribution.

Board staff stated it did not have an issue with the ultimately-proposed RTSRs. VECC submitted that the calculation of Hearst Power's cost did not show clearly that the proposal was based on Hydro One's 2010 rates and Hearst Power's 2009 volumes. Hearst Power submitted in reply that it had used the 2010 rates together with 24 months of historic data, and that this provided an appropriate methodology that has been used by other utilities.

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<sup>67</sup> Exhibit 8, Tab 1, Schedule 2

<sup>68</sup> VECC interrogatories #7 and #27; VECC supplemental interrogatory #49

## Rate Schedules and Bill Impacts

The Applicant provided a table of the bill impacts for Residential customers using 800 kWh per month. While delivery charges were shown to increase by 20.82% (\$3.66 per month), the total bill averaged over winter and summer increased by 2.73% (\$2.33 per month).

In its application<sup>69</sup>, Hearst Power purported to reconcile the proposed rates but no actual comparison of the expected revenue and the revenue requirement was provided. It later provided a reconciliation<sup>70</sup> of its proposed rates and forecast volumes in response to interrogatories. While the reconciliation showed that the calculated and allocated values were very close, Board staff observed that the variable rates used for most of the customer classes in the calculations did not match those in the latest-filed rate schedule<sup>71</sup>. Updated bill impact calculations were provided by Hearst Power in the RateMaker model filed on December 9, 2010. The model shows bill impacts for one customer per class, except for the Residential class with two examples.

The total bill impacts calculated in Hearst Power's RateMaker model are shown in Table 8. The impacts include the effect of rebates of Deferral and Variance account balances per Hearst Power's application.

**Table 8 Bill Impacts**

Rate Class	Delivery Bill Impact	Total Bill Impact
Residential *	25.1 %	6.1 %
GS<50 kW	21.8 %	3.9%
GS>50 kW	(14.5 %)	(2.9 %) **
Intermediate	(1.4 %)	(0.6 %)
Sentinel Lights	25.6 %	7.2 %

\* Winter rates, 1000 kWh per month

\*\* calculation provided by Board staff

Board staff submitted that in order to give the Board a degree of confidence in the rates being proposed, Hearst Power should provide a reconciliation utilizing the latest-filed load forecast<sup>72</sup> and the updated proposed rate schedule.

<sup>69</sup> Exhibit 8, Tab 1, Schedule 5, and Appendix 6, submitted May 25, 2010. Updated November 22, 2010, in response to Board staff supplemental interrogatory # 1, 'EDR\_SUPPL IRs\_20101122'

<sup>70</sup> Board staff supplemental interrogatory #18 and VECC supplemental interrogatory #37

<sup>71</sup> Appendix 2IR\_A

<sup>72</sup> Appendix 2IR\_F

VECC noted that the updated record did not include a calculation of the bill impact on Street Lights. Hearst Power proposed to produce this information with its draft rate order.

### ***Board Findings***

The Board finds that the definition of the Intermediate class with billing demand above 1500 kW is appropriate, as proposed by Hearst Power.

In the following directions regarding revenue to cost ratios and rate re-balancing, the Board accepts as the starting point the values in Table 7 above. The Board agrees with VECC that Hearst Power has not established an adequate basis for increasing the revenue to cost ratio of the Residential class above its current amount, and directs Hearst Power to maintain the ratio at 98%. The Board also agrees with VECC concerning the reduction in the revenue to cost ratio for the General Service < 50 kW class, and directs that the ratio be moved to 100% rather than below. The Board accepts the applicant's proposed revenue to cost ratios Sentinel Lighting, with a ratio of 70%.

With respect to the Intermediate class the Board notes that the revenue to cost ratio for the Intermediate class was calculated at 78.60% in Hearst's application (2006 results, after correction for the Transformer Ownership Allowance)<sup>73</sup>. The 2010 ratio was subsequently calculated at 111.16%, based on a uniform percentage increase in rates to satisfy the total revenue requirement.<sup>74</sup> Hearst Power confirmed in response to Board staff supplemental interrogatory #32 that the re-filed rates were based on the latter cost allocation results. However, Hearst Power filed another cost allocation study, in which the Intermediate class revenue to cost ratio would be 42.99%<sup>75</sup> after a uniform percentage adjustment. The rates proposed for the Intermediate class are consistent with an increase of the ratio from a starting point of 43%, and not consistent with a starting point of 111%. The Board approves a revenue to cost ratio for the Intermediate class of 80% as proposed by Hearst Power, on the understanding that the ratio of the Intermediate class is 43% and all ratios before re-balancing are those presented in Table 7 above.

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<sup>73</sup> Application, Table 7.1.1.1

<sup>74</sup> Appendix BS-K of Responses to VECC interrogatories (p. 12)

<sup>75</sup> Response to Board staff supplemental interrogatory # 1, 'Rate Model\_HPL-2010' filed December 9, 2010.

The Board finds that the changes proposed for Street Lights shall be phased in over two years. The revenue to cost ratio for Street Lights shall be 50% for 2010 rates, continue at 50% for 2011 rates, and shall be increased to 70% with the 2012 rates.

The Board understands that the outcome of the ratios ordered in this and the previous paragraphs may result in a higher or lower ratio for the General Service > 50 kW class than was proposed by the Applicant. For 2010 and 2011, Hearst Power shall demonstrate what ratio is achieved as a net outcome of the re-balancing of the other classes. With 2012 rates, Hearst Power will achieve a revenue to cost ratio of no higher than 180% for the General Service > 50 kW class, and if necessary to attain this ratio it may raise the Residential ratio toward 100%.

Hearst Power is directed to include documentation with its Draft Rate Order to support its revenue to cost ratios and the resulting distribution rates and revenues for all classes. It will show the revenue to cost ratios in which revenues are compared to the results of Hearst Power's most up-to-date cost allocation study.

The Board accepts Hearst Power's rate design with respect to fixed and variable proportions for each class. In particular, it accepts the proposal to increase the Monthly Service Charge to the Intermediate class to ultimately be equal to \$543.38 plus IRM increases, within three years following this rate re-basing, and it recognizes that the volumetric rate to this class will likely increase by a lower percentage amount than the fixed charge while that adjustment is being made.

The Board does not accept Hearst Power's proposal that the Transformer Ownership Allowance should be reduced to \$0.35 per kW. The Board notes that the cost allocation study submitted by Hearst Power shows the cost of line transformers to the General Service > 50 kW class is \$0.45 per kW. The study does not show a corresponding number for the Intermediate class, perhaps because the distributor provides no transformers to the customers in that class. The Board directs Hearst Power to set the monthly Transformer Ownership Allowance at \$0.45 per kW, on the basis that this is the outcome of the updated cost allocation study filed in support of this Application.<sup>76</sup>

The Board accepts Hearst Power's revised forecast of its Low Voltage cost at \$53,000 per year. It expects that the documentation supporting the Draft Rate Order will show

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<sup>76</sup> Response to Board staff supplemental interrogatory # 1 'Rate Model\_HPL-2010' filed December 9, 2010, worksheet O3.1 'Line Tran Unit Cost'.



clearly that this cost has been used in the calculation of the Low Voltage Service Rates in the tariff.

The Board notes that Hearst Power is requesting a substantial decrease in its Total Loss Factor. The calculation includes one year of high actual losses that is hopefully not an indication of future losses. The Board will accept the proposed Total Loss Factor of 1.0460 for secondary-metered customers and the corresponding factor for primary-metered customers.

With respect to Retail Transmission Service Rates, the Board notes that new Uniform Transmission Service Rates have been approved by the Board, and that the IESO will charge these rates to Hearst Power in 2011 which will affect the relevant portion of the wholesale cost,. Given the effective date of Hearst Power's rates, it is evident that an update of the calculation submitted by the Applicant should be done. Hearst Power's proposed Retail Transmission Service Rates are approved, with this adjustment. The revised calculation is to be documented with the Draft Rate Order.

The Board notes that it would have been helpful if Hearst Power's reply submission had included an indication of the bill impact on the Street Light class, which VECC had pointed out was missing from the updated evidence filed on December 9, 2010. In the absence of this information, the Board has only the impact calculation filed with the original application, which showed a 57% impact.<sup>77</sup> Given that the Board has specified a revenue to cost ratio of 50% in 2010 and 2011, the Board expects that the bill impact on Street Lights will be lower than 57%.

## **DEFERRAL AND VARIANCE ACCOUNTS**

### **General Rate Rider**

Hearst Power identified<sup>78</sup> the deferral accounts it proposed to dispose of over a four year period and those accounts for which it proposed to wait for the Board's direction. Board staff noted there was a lack of clarity in the application regarding the nature of some of the account balances that the Applicant proposed to clear; and that the calculation of the proposed four-year rate riders was not transparent.

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<sup>77</sup> Appendix 6, p. 836 of 837.

<sup>78</sup> Exhibit 9, Tab 1, Schedule 3

Hearst Power subsequently provided a detailed explanation<sup>79</sup> regarding how it proposed to clear its deferral and variance accounts. It also stated that it was not opposed to Board staff's suggestion regarding the establishment of a variance account to capture the reduction in OM&A and capital expenditures due to HST, though its preference would be to use the method proposed by Renfrew Hydro<sup>80</sup>; i.e. the establishment of a variance account to track the Input Tax Credits ("ITCs") on revenue requirement items that were previously subject to PST).

Board staff submitted it had no issue with Hearst Power's proposed clearance of its deferral and variance accounts and the calculation method of its proposed rate riders.

Hearst Power calculated<sup>81</sup> the applicable rate rider for the Global Adjustment and verified that it would only apply prospectively to non-RPP customers, in the non-MUSH sector ("Municipalities, Universities, Schools and Hospitals").

Hearst Power provided a calculation of its proposed rate riders, based on disposition of accounts 1508, 1518, 1525, 1548, 1550, 1565, 1566, RSVA accounts, and 1598, in response to a supplementary interrogatory.<sup>82</sup> The inputs to the calculation do not include a balance for account 1598. VECC submitted that its only concern was the inclusion of accounts 1570 and 1571 in the list of accounts for disposition. These accounts are for pre-market and transition costs which require a prudence review prior to disposition. Hearst Power replied that the inclusion of the accounts resulted from a misunderstanding and that it did not seek disposition at this time.

VECC also expressed its reservations about the length of the proposed disposition over four years, and suggested that a shorter period should be considered in the interests of inter-generational equity. Hearst Power replied that its objective was to maintain rate stability throughout the period until its next re-basing.

### **Establish a Deferral Account for Unforeseen Considerations**

In its application<sup>83</sup>, Hearst Power requested approval "To establish a deferral account to be used for reasonable costs not allowed by the Board because of considerations not

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<sup>79</sup> Board staff supplemental interrogatory #37

<sup>80</sup> EB-2009-0146, Exhibit 9, Tab 1, Schedule 1, pp. 2-3

<sup>81</sup> Board staff supplemental interrogatory #40

<sup>82</sup> The combined balance is approximately \$35,000. Reference: Appendix 2IR\_I, worksheet C6.

<sup>83</sup> Exhibit 1, Tab 1, Schedule 4, Page 2, List of Specific Approvals Requested, item #12

foreseen by the applicant”.

Hearst Power<sup>84</sup> was asked to provide further details of its request and, in particular, to identify what types of circumstances the account is meant to address and how these circumstances would differ from those applicable for a Z-factor adjustment. Board staff and VECC submitted that the Board had already provided adequate mechanisms to handle contingencies and that the Board should not approve the additional deferral account.

### **Smart Meter Riders**

In its application<sup>85</sup>, Hearst Power stated that it began installing smart meters in March 2009. By 2009 year end, 86% of the meters were installed and by 2010 year end, 100% (2,751 meters) were forecasted to be installed. In its application, Hearst Power requested approval to discontinue the smart meter \$1.00 per month funding adder for all metered customers.

### **Board Findings**

Hearst Power requested a deferral account to record the cost of unforeseen events. The Board agrees with VECC and Board staff that the account is not necessary. In Section 2.6 of the *Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors*, dated July 14, 2008 the Board noted that Z-factors are intended to provide for unforeseen events outside of management's control. The Board does not approve Hearst Power's request for a new deferral account for unforeseen events because it would be redundant.

As noted earlier in this Decision, the Board will approve the inclusion of actual PST paid in the first six months of 2010 in a deferral account for future recovery.

The Board has declined Hearst Power's request to transfer smart meter balances to its rate base. The Board directs that Hearst Power continue to track revenues received from the smart meter funding adder, and actual costs incurred, in the established smart meter related variance accounts, for review and disposition in a subsequent application. The Board notes that the schedule for smart meters implementation indicates that installation should be completed or close to completion by the date of this Decision, and

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<sup>84</sup> VECC interrogatory #2

<sup>85</sup> Exhibit 9, Tab 1, Schedule 4

that Hearst Power will be in a position to file a stand-alone application for the disposition of balances in the smart meter deferral and variance accounts (1555 and 1556) and the establishment of smart meter incremental revenue requirement rate rider. The rate rider would proxy the revenue requirement going forward for all smart meters installed, to be in effect until Hearst Power's next rebasing application. The Board reminds Hearst Power that such an application must meet the requirements contained in Guideline G-2008-0002 in order to enable the Board to conduct a prudence review.

In the meantime, the Board will approve a smart meter funding adder of \$2.50 per metered customer per month. This funding adder will replace the existing smart meter funding adder of \$1.00 per metered customer per month. The Board will approve this smart meter funding adder until April 30, 2012 or until such time that the Board approves the disposition of balances in variance accounts 1555 and 1556 and the establishment of smart meter incremental revenue requirement rate rider.

In approving this smart meter funding adder, the Board has not made any finding on the prudence of the proposed smart meter activities, including any costs for smart meters or advanced metering infrastructure whose functionality exceeds the minimum functionality adopted in O. Reg. 425/06, or costs associated with functions for which the Smart Metering Entity has the exclusive authority to carry out pursuant to O. Reg. 393/07. Such costs will be considered at the time that Hearst Power applies for the recovery of these costs.

The Board approves rate riders designed to dispose of the accounts in Hearst Power's revised list, which it understands no longer includes accounts 1570 and 1571. The Board expects that Hearst Power will include an explanation of account 1598, will show clearly what the balance is in that account, and will show how the rate riders are calculated for each rate class whose rate riders are affected by it. If the inclusion of account 1598 has a material effect on the rate riders, Hearst Power shall include two calculations, one with it included and one with it excluded.

The Board finds that the recovery period of four years is longer than necessary. It will approve rate riders designed to recover the balance over a 27-month period, beginning from the effective date of this Decision and continuing through the 2011 and 2012 rate years, and ending on April 30, 2013.

## **IMPLEMENTATION OF RATES**

Earlier in this Decision, the Board approved February 1, 2011 as the effective date for the rate changes. Given the time that is required for the process leading to the issuance of a rate order and the need for Hearst Power to implement the new rates into their billing systems, it may not be possible to implement the new rates until April 1, 2011. The foregone distribution revenue from February 1, 2011 to March 31, 2011 shall be recovered through a rate rider in effect from April 1, 2011 to April 30, 2012. If the implementation date of April 1, 2011 is not feasible, Hearst Power shall provide the intended implementation date in its Draft Rate Order; however this date should be as soon as possible.

The Board's findings outlined in this Decision are to be reflected in a Draft Rate Order. The Board directs Hearst Power to file detailed supporting material, including an updated PILs calculation, updated Revenue Requirement Work Form, allocation of the approved revenue requirement to the classes, determination of the final rates and rate riders, and bill impacts.

A Rate Order will be issued after the steps set out below are completed.

### **THE BOARD DIRECTS THAT:**

1. Hearst Power shall file with the Board, and shall also forward to VECC, a Draft Rate Order attaching a proposed Tariff of Rates and Charges and other filings reflecting the Board's findings in this Decision within 14 days of the date of this Decision.
2. Board staff and VECC shall file any comments on the Draft Rate order with the Board and forward them to Hearst Power within 7 days of the date of filing of the Draft Rate Order.
3. Hearst Power shall file with the Board and forward to VECC, responses to any comments on its Draft Rate Order within 7 days of the date of receipt of intervenor submissions.

## **COST AWARDS**

The Board may grant cost awards to eligible stakeholders pursuant to its authority under section 30 of the *Ontario Energy Board Act, 1998*. The Board will determine cost awards in accordance with its Practice Direction on Cost Awards. When determining the amounts of the cost awards, the Board will apply the principles set out in section 5 of the Board's Practice Direction on Cost Awards. The maximal hourly rate set out in the Board's Cost Awards Tariff will also be applied.

VECC submitted that its participation in this proceeding had been focused and responsible, and accordingly requested a 100% award of its reasonably-incurred fees and disbursements.

A cost awards decision will be issued after the following steps have been completed.

1. VECC shall file with the Board, and forward to Hearst Power, its cost claims within 10 days from the date of the Rate Order
2. Hearst Power shall file with the Board and forward to VECC, any objections to the claimed costs within 17 days from the date of the Rate Order
3. VECC shall file with the Board and forward to Hearst Power any responses to any objections for cost claims within 24 days of the date of the Rate Order.

Hearst Power shall pay the Board's costs incidental to this proceeding.

All filings to the Board must quote the file number, EB-2009-0266, be made through the Board's web portal at [www.errr.oeb.gov.on.ca](http://www.errr.oeb.gov.on.ca), and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and email address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca). If the web portal is not available parties may email documents to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

**ADDRESS**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E4  
Attention: Board Secretary  
E-mail: [Boardsec@oeb.gov.on.ca](mailto:Boardsec@oeb.gov.on.ca)  
Tel: 1-888-632-6273 (toll free)  
Fax: 416-440-7656

**DATED** at Toronto, February 15, 2011

**ONTARIO ENERGY BOARD**

*Original Signed By*

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Marika Hare  
Presiding Member

*Original Signed By*

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Ken Quesnelle  
Member

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 1

Tab1

Schedule 6

Attachment5

Attachment 5 of 6

Past Decision EB-2010-0295





**EB-2010-0295**

**IN THE MATTER OF** a proceeding initiated by the Ontario Energy Board to determine whether the costs and damages incurred by electricity distributors as a result of the April 21, 2010 Minutes of Settlement in the late payment penalty class action, as further described herein, are recoverable from electricity distribution ratepayers, and if so, the form and timing of such recovery.

**BEFORE:** Paul Sommerville  
Presiding Member

Karen Taylor  
Member

### **RATE ORDER**

On October 29, 2010 the Ontario Energy Board (the "Board") issued a Notice of Proceeding on its own motion to determine (i) whether Affected Electricity Distributors should be allowed to recover from their ratepayers the costs and damages incurred in the Late Payment Penalty (LPP) Class Action, and if so, (ii) the form and timing of such recovery. This proceeding was commenced pursuant to sections 19 and 78(2) of the *Ontario Energy Board Act*, 1998.

For purposes of this proceeding, "Affected Electricity Distributors" means licensed Ontario electricity distributors that were named as defendant class members in Schedule F of the Minutes of Settlement approved on April 21, 2010 by the Honourable Mr. Justice Cumming of the Ontario Superior Court of Justice (Court File No. 94-CQ-50878) and as amended by addenda dated July 7, 2010 and July 8 (the "Minutes of Settlement").

On February 22, 2011 the Board issued its Decision and Order in the above matter and found that the costs and damages arising from the LPP Class Action are recoverable from ratepayers. The costs approved for recovery for each Affected Electricity Distributor were provided in Appendix A to that Decision and Order.

With respect to how the rate riders are to be incorporated in the Tariff of Rates and Charges of each Affected Electricity Distributor, the Board made a distinction between those Affected Electricity Distributors that have a 2011 Incentive Rate Mechanism (“IRM”) or cost of service application before the Board at the time the Decision and Order was issued and those Affected Electricity Distributors that do not have such an application before the Board.

Affected Electricity Distributors that currently have a 2011 IRM or cost of service rate application before the Board were directed to file with the Board detailed calculations outlining the derivation of the rate riders in each of their respective IRM or cost of service applications. The rate rider calculations for these distributors will be reviewed as part of their respective 2011 IRM or cost of service applications and will be incorporated in the Tariff of Rates and Charges to be approved as part of those proceedings.

Those Affected Electricity Distributors that were not part of the above category were directed to file as part of this proceeding, their LPP rate rider calculations and a Tariff of Rates and Charges incorporating the LPP rate riders. The Board ordered:

*[T]he Board directs these distributors to file with Board within seven days of the date of this Decision and Order, detailed calculations including supporting documentation outlining the derivation of the rate riders based on the methodology outlined in this Decision. These distributors shall also file a draft tariff of rates and charges that includes the proposed rate riders. Intervenors and Board staff wishing to make submissions on the information filed shall do so within six days of the filing. The Affected Electricity Distributor shall have nine days from the date of the filing to respond to any submissions.*

This Rate Order pertains to Affected Electricity Distributors in the latter category. They are:

- Clinton Power Corporation
- Hearst Power Distribution Co. Ltd.

- Newmarket-Tay Power Distribution Ltd.
- Norfolk Power Distribution Inc.
- Ottawa River Power Corporation
- West Perth Power Inc.
- Whitby Hydro Electric Corporation

Norfolk Power Distribution Inc. and Newmarket-Tay Power Distribution Ltd. subsequently filed a letter with the Board advising that they are no longer seeking to recover the costs and damages arising from the LPP Class Action.

Pursuant to the Board's Decision and Order, Clinton Power Corporation, Hearst Power Distribution Co. Ltd., Ottawa River Power Corporation, West Perth Power Inc. and Whitby Hydro Electric Corporation filed their respective LPP rate rider calculations and Tariff of Rates and Charges, incorporating the LPP rate riders.

The Board received submissions from Board staff in relation to this matter. Board staff's submissions focused on implementation matters.

As part of each of their rate order filings, Ottawa River Corporation and Hearst Power Distribution Co. Ltd. sought approval to record in a deferral account the costs related to the publication of the Board's Notice of Proceeding (the "Notice") in this matter. The Board denies this request. In the Board's view such costs should be managed within each distributor's regulatory budget.

The Board has reviewed the calculations supporting the derivation of the LPP rate riders and is satisfied that the respective Tariffs of Rates and Charges reflect the Board's Decision and Order.

**THE BOARD ORDERS THAT:**

1. The new distribution rates incorporating the LPP rate riders for Clinton Power Corporation, Hearst Power Distribution Co. Ltd., Ottawa River Power Corporation, West Perth Power Inc. and Whitby Hydro Electric Corporation shall be effective May 1, 2011.
2. The Tariffs of Rates and Charges set out in Appendices "A" to "E" of this Order are approved and supersede all previous Tariffs of Rates and Charges approved

by the Board for each of Clinton Power Corporation, Hearst Power Distribution Co. Ltd., Ottawa River Power Corporation, West Perth Power Inc. and Whitby Hydro Electric Corporation, respectively and are final in all respects.

3. Each of Clinton Power Corporation, Hearst Power Distribution Co. Ltd., Ottawa River Power Corporation, West Perth Power Inc. and Whitby Hydro Electric Corporation shall notify their customers of their rate changes no later than with the first bill reflecting the new rates.

**DATED** at Toronto, April 18, 2011

**ONTARIO ENERGY BOARD**

*Original Signed by*

Kirsten Walli  
Board Secretary

**APPENDIX A TO RATE ORDER**  
**TARIFF OF RATES AND CHARGES**  
**CLINTON POWER CORPORATION**

**EB-2010-0295**

**DATED, April 18, 2011**

# Clinton Power Corp.

## 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-2009-0262  
EB-2010-0295

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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	\$	12.30
Smart Meter Funding Adder	\$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.16
Distribution Volumetric Rate	\$/kWh	0.0136
Low Voltage Service Rate	\$/kWh	0.0031
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kWh	0.0007
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	\$/kWh	0.0033
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0013

### 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

# Clinton Power Corp.

## 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-2009-0262  
EB-2010-0295

## 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 average peak demand is less than, or is forecast to be less than 50 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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	\$	24.17
Smart Meter Funding Adder	\$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.35
Distribution Volumetric Rate	\$/kWh	0.0131
Low Voltage Service Rate	\$/kWh	0.0025
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	\$/kWh	0.0033
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0012

### 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

# Clinton Power Corp.

## 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-2009-0262  
EB-2010-0295

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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	\$	42.44
Smart Meter Funding Adder	\$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	5.35
Distribution Volumetric Rate	\$/kW	4.6338
Low Voltage Service Rate	\$/kW	1.1697
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kW	0.1017
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	\$/kW	1.0997
Retail Transmission Rate – Network Service Rate	\$/kW	2.0227
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.4787

### 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



# Clinton Power Corp.

## 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-2009-0262  
EB-2010-0295

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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)	\$	12.09
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.12
Distribution Volumetric Rate	\$/kWh	0.0094
Low Voltage Service Rate	\$/kWh	0.0084
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kWh	0.0007
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	\$/kWh	0.0032
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0013

### 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

# Clinton Power Corp.

## 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-2009-0262  
EB-2010-0295

## 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 distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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)	\$	0.2799
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.01
Distribution Volumetric Rate	\$/kW	0.5405
Low Voltage Service Rate	\$/kW	1.4814
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kW	0.0357
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	\$/kW	1.1190
Retail Transmission Rate – Network Service Rate	\$/kW	1.5366
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.3778

### 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

# Clinton Power Corp.

## 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-2009-0262  
EB-2010-0295

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting shape template. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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)	\$	0.21
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.00
Distribution Volumetric Rate	\$/kW	21.6340
Low Voltage Service Rate	\$/kW	0.8602
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kW	1.7878
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 1, 2012	\$/kW	1.1609
Retail Transmission Rate – Network Service Rate	\$/kW	1.5287
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.3701

### 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

**Clinton Power Corp.**  
**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-2009-0262  
EB-2010-0295

**microFIT GENERATOR SERVICE CLASSIFICATION**

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

**APPLICATION**

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

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

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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
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# Clinton Power Corp.

## 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-2009-0262  
EB-2010-0295

## 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.

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<b>Customer Administration</b>		
Arrears certificate	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Service call – customer-owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

# Clinton Power Corp.

## 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-2009-0262  
EB-2010-0295

## 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	1.0554
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0340

**APPENDIX B TO RATE ORDER**  
**TARIFF OF RATES AND CHARGES**  
**HEARST POWER DISTRIBUTION CO. LTD.**

**EB-2010-0295**

**DATED, April 18, 2011**

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to accounts for customers residing in single dwelling units that consist of a detached house, semi detached, duplex, triplex or quadruplex house, or individually metered apartment building. 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	\$	9.00
Smart Meter Funding Adder	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.30
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	0.24
Distribution Volumetric Rate	\$/kWh	0.0156
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0043)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kWh	0.0009
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044

### 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



# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## 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	\$	19.50
Smart Meter Funding Adder	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.54
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	2.24
Distribution Volumetric Rate	\$/kWh	0.0066
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0040)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## GENERAL SERVICE 50 to 1,499 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1500 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	\$	66.00
Smart Meter Funding Adder	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	5.35
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	5.63
Distribution Volumetric Rate	\$/kW	2.7945
Low Voltage Service Rate	\$/kW	0.2270
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(1.3889)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kW	0.0079
Retail Transmission Rate – Network Service Rate	\$/kW	1.9563
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5861

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## INTERMEDIATE USERS SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 1500 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.

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	220.00
Smart Meter Funding Adder	\$	2.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	26.28
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	25.06
Distribution Volumetric Rate	\$/kW	1.0077
Low Voltage Service Rate	\$/kW	0.2677
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(1.2268)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kW	0.0671
Retail Transmission Rate – Network Service Rate	\$/kW	2.1880
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8708

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is a sub-category of the street lighting load. These customers are billed on a fixed load based on the size of bulb. 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.

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	7.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.16
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	0.46
Distribution Volumetric Rate	\$/kW	3.0778
Low Voltage Service Rate	\$/kW	0.1791
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(5.5214)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kW	0.2111
Retail Transmission Rate – Network Service Rate	\$/kW	1.4829
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2404

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting within the town, and private roadway lighting operation, controlled by photo cells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the 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.

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	5.50
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.02
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$	0.69
Distribution Volumetric Rate	\$/kW	1.6027
Low Voltage Service Rate	\$/kW	0.1755
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0051
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(3.1332)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2012	\$/kW	0.0772
Retail Transmission Rate – Network Service Rate	\$/kW	1.4753
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2151

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## **microFIT GENERATOR SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the 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	\$	5.25
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# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	\$	(0.45)
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.

<b>Customer Administration</b>		
Arrears Certificate	\$	15.00
Easement Letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	30.00
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – no disconnection	\$	30.00
Disconnect/Reconnect at Meter - during Regular Hours	\$	40.00
Disconnect/Reconnect at Meter - after Regular Hours	\$	time and materials
Install/Remove load control device – during regular hours	\$	40.00
Temporary service install and remove – overhead – no transformer	\$	time and materials
Temporary service install and remove – underground – no transformer	\$	time and materials
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective & Implementation Date May 1, 2011

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

EB-2009-0266  
EB-2010-0295

## 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	1.0460
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0356
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A



**APPENDIX C TO RATE ORDER**  
**TARIFF OF RATES AND CHARGES**  
**OTTAWA RIVER CORPORATION**

**EB-2010-0295**

**DATED, April 18, 2011**

# Ottawa River Power Corporation

## 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-2009-0165  
EB-2010-0295

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to customers residing in residential dwelling units. Energy is generally supplied as single phase, 3-wire, 60-Hertz, having nominal voltage of 120/240 volts and up to 400 amps. There shall be only one delivery point to a dwelling. The Basic Connection for Residential consumers is defined as 100 amp 120/240 volt overhead service. A Residential building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Further servicing details are available in the distributor's Conditions of Service.

## APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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	\$	10.95
Smart Meter Funding Adder	\$	1.54
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.15
Distribution Volumetric Rate	\$/kWh	0.0149
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0197)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0023

## MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0022
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Ottawa River Power Corporation

## 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-2009-0165  
EB-2010-0295

## GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Buildings requiring a connection with a connected load less than 50 kW, and, Town Houses and Condominiums that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes other than single-family dwellings. A General Service building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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	\$	22.41
Smart Meter Funding Adder	\$	1.54
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.30
Distribution Volumetric Rate	\$/kWh	0.0103
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0067)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0021

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0022
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Ottawa River Power Corporation

## 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-2009-0165  
EB-2010-0295

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load equal to or greater than 50 kW but less than 5,000kW. A General Service building is supplied at one service voltage per land parcel. Depending upon the location of the building the supply voltage will be one of the following:

- 120/240 volts 1 phase 3 wire
- 120/208 volts 3 phase 4 wire
- 347/600 volts 3 phase 4 wire

Depending upon the location of the building, primary supplies to transformers and customer owned Sub-Stations will be one of the following as determined by the Distributor:

- 7,200/12,400 volts 3 phase 4 wire
- 44,000 volts 3 phase 3 wire

Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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	\$	369.56
Smart Meter Funding Adder	\$	1.54
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	3.82
Distribution Volumetric Rate	\$/kW	0.6331
Low Voltage Service Rate	\$/kW	0.3954
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(1.2203)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7987
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.8304

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0022
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Ottawa River Power Corporation

## 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-2009-0165  
EB-2010-0295

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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 customer)	\$	6.10
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.08
Distribution Volumetric Rate	\$/kWh	0.0020
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0097)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0021

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0022
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Ottawa River Power Corporation

## 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-2009-0165  
EB-2010-0295

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to privately owned roadway lighting controlled by photo cells. Consumption is based on calculated connected load times the required lighting hours. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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)	\$	2.54
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.02
Distribution Volumetric Rate	\$/kW	7.6910
Low Voltage Service Rate	\$/kW	0.3121
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(8.5016)
Retail Transmission Rate – Network Service Rate	\$/kW	1.3633
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.6554

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0022
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Ottawa River Power Corporation

## 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-2009-0165  
EB-2010-0295

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to municipal lighting, Ministry of Transportation operation controlled by photo cells. Consumption is as per OEB Street lighting load shape. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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)	\$	1.48
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.01
Distribution Volumetric Rate	\$/kW	8.1426
Low Voltage Service Rate	\$/kW	0.3057
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0045
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	0.8857
Retail Transmission Rate – Network Service Rate	\$/kW	1.3564
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.6420

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0022
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# **Ottawa River Power Corporation**

## **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-2009-0165  
EB-2010-0295

## **microFIT GENERATOR SERVICE CLASSIFICATION**

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

### **APPLICATION**

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

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

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

It should be noted that this schedule does not list any charges 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
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# Ottawa River Power Corporation

## 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-2009-0165  
EB-2010-0295

## 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 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.

<b>Customer Administration</b>		
Arrears Certificate	\$	15.00
Account History	\$	15.00
Returned Cheque Charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect Charges at meter - During Regular Hours	\$	65.00
Disconnect/Reconnect Charges at meter - After Hours	\$	185.00

# Ottawa River Power Corporation

## 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-2009-0165  
EB-2010-0295

## 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	1.0390
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0286

**APPENDIX D TO RATE ORDER  
TARIFF OF RATES AND CHARGES  
WEST PERTH POWER INC.**

**EB-2010-0295**

**DATED, April 18, 2011**

# West Perth Power Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0121  
EB-2010-0295

## RESIDENTIAL SERVICE CLASSIFICATION

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

## APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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	\$	13.61
Smart Meter Funding Adder	\$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.22
Distribution Volumetric Rate	\$/kWh	0.0098
Low Voltage Service Rate	\$/kWh	0.0015
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0046

## 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

# West Perth Power Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0121  
EB-2010-0295

## 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 average peak demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	11.95
Smart Meter Funding Adder	\$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.54
Distribution Volumetric Rate	\$/kWh	0.0147
Low Voltage Service Rate	\$/kWh	0.0010
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041

### 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

**West Perth Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2011**

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

EB-2010-0121  
EB-2010-0295

## **GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION**

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

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

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

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### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	204.84
Smart Meter Funding Adder	\$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	9.17
Distribution Volumetric Rate	\$/kW	2.2348
Low Voltage Service Rate	\$/kW	0.3691
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kW	0.0211
Retail Transmission Rate – Network Service Rate	\$/kW	2.0261
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6457

### **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

# West Perth Power Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0121  
EB-2010-0295

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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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)	\$	0.67
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.01
Distribution Volumetric Rate	\$/kWh	0.0258
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kWh	0.0020
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0023

### MONTHLY RATES AND CHARGES – Regulatory Component

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

**West Perth Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2011**

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

EB-2010-0121  
EB-2010-0295

## **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 distributor's Conditions of Service.

### **APPLICATION**

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

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

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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)	\$	0.0000
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.00
Distribution Volumetric Rate	\$/kW	7.4554
Low Voltage Service Rate	\$/kW	0.4254
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kW	0.5056
Retail Transmission Rate – Network Service Rate	\$/kW	1.5359
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2989

### **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



# West Perth Power Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0121  
EB-2010-0295

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	0.31
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.01
Distribution Volumetric Rate	\$/kW	19.2657
Low Voltage Service Rate	\$/kW	0.4088
Rate Rider for Recovery of Foregone Revenue – effective until December 1, 2011	\$/kW	1.5291
Retail Transmission Rate – Network Service Rate	\$/kW	1.5280
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2723

### 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

**West Perth Power Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2011**

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

EB-2010-0121  
EB-2010-0295

**microFIT GENERATOR SERVICE CLASSIFICATION**

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

**APPLICATION**

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

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**MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	5.25
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# West Perth Power Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0121  
EB-2010-0295

## 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.

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Customer Administration		
Arrears certificate	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect charges for non payment of account - At Meter – during regular hours	\$	65.00
Disconnect/Reconnect charges for non payment of account - At Meter – after regular hours	\$	185.00
Service call – customer owned equipment	\$	30.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

# West Perth Power Inc.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2011

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

EB-2010-0121  
EB-2010-0295

## 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.

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

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

### LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0314
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0211

**APPENDIX E TO RATE ORDER**  
**TARIFF OF RATES AND CHARGES**  
**WHITBY HYDRO ELECTRIC CORPORATION**

**EB-2010-0295**

**DATED, April 18, 2011**

# Whitby Hydro Electric Company

## 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-2009-0274  
EB-2010-0295

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to detached, semi-detached or freehold townhouse dwelling units. Energy is supplied to residential customers as single phase, three wire, 60 Hertz, having a normal voltage of 120/240 Volts up to a maximum of 600 Amps per dwelling unit. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	17.24
Smart Meter Funding Adder	\$	2.13
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.19
Distribution Volumetric Rate	\$/kWh	0.0141
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	\$/kWh	(0.0017)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until December 31, 2012	\$/kWh	0.0005
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0066
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0055

### 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

# Whitby Hydro Electric Company

## 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-2009-0274  
EB-2010-0295

## GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW, shall include small apartment buildings and smaller commercial, industrial, and institutional developments. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	19.80
Smart Meter Funding Adder	\$	2.13
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.52
Distribution Volumetric Rate	\$/kWh	0.0194
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	\$/kWh	(0.0018)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050

### 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

# Whitby Hydro Electric Company

## 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-2009-0274  
EB-2010-0295

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW and includes apartment buildings, and commercial, industrial, and institutional developments. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	191.34
Smart Meter Funding Adder	\$	2.13
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	5.09
Distribution Volumetric Rate	\$/kW	3.9178
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	\$/kW	(0.6875)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery – effective until December 31, 2012	\$/kW	0.0153
Retail Transmission Rate – Network Service Rate	\$/kW	2.4275
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9420

### 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



# Whitby Hydro Electric Company

## 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-2009-0274  
EB-2010-0295

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, decorative lighting, billboards, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	9.28
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.19
Distribution Volumetric Rate	\$/kWh	0.0302
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	\$/kWh	(0.0018)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0060
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050

### 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

# Whitby Hydro Electric Company

## 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-2009-0274  
EB-2010-0295

## 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 distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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 light)	\$	4.05
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.02
Distribution Volumetric Rate	\$/kW	10.9830
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	\$/kW	(0.4912)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8401
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5328

### 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

# Whitby Hydro Electric Company

## 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-2009-0274  
EB-2010-0295

## STREET LIGHTING SERVICE CLASSIFICATION

This classification relates to the supply of power for street lighting installations. Street lighting design and installations shall be in accordance with the requirements of Whitby Hydro, Town of Whitby specifications and ESA. The Town of Whitby retains ownership of the street lighting system on municipal roadways. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

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

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

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

It should be noted that this schedule does not list any charges 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 light)	\$	1.36
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	\$	0.01
Distribution Volumetric Rate	\$/kW	5.4070
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until December 31, 2014	\$/kW	(0.7408)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8307
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5013

### 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

# **Whitby Hydro Electric Company**

## **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-2009-0274  
EB-2010-0295

## **microFIT GENERATOR SERVICE CLASSIFICATION**

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

### **APPLICATION**

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

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

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

It should be noted that this schedule does not list any charges 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
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# Whitby Hydro Electric Company

## 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-2009-0274  
EB-2010-0295

## 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 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.

<b>Customer Administration</b>		
Arrears certificate	\$	15.00
Statement of Account	\$	15.00
Pulling post dated cheques	\$	15.00
Easement Letter	\$	15.00
Account history	\$	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
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Legal letter charge	\$	15.00
<b>Non-Payment of Account</b>		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection after regular hours	\$	165.00
Disconnect/Reconnect Charge at meter – during regular Hours	\$	65.00
Disconnect/Reconnect Charge at meter – after regular hours	\$	185.00
Disconnect/Reconnect Charge at pole – during regular hours	\$	185.00
Disconnect/Reconnect Charge at pole – after hours	\$	415.00
Install/Remove load control device – during regular hours	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Service call – customer-owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
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	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

# Whitby Hydro Electric Company

## 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-2009-0274  
EB-2010-0295

## 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 - monthly charge per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing – monthly 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	1.0454
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0349

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 1

Tab1

Schedule 6

Attachment6

Attachment 6 of 6

2010 Draft Rate Order

**Hearst Power Distribution Company Limited**  
925 Rue Alexandra Street  
Hearst Ontario

March 31, 2011

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

**Re: Amendments to Draft Rate Order**

Dear Ms. Walli:

Hearst Power Distribution Company Limited (Hearst) acknowledges receipt of VECC and Board Staff (BS)'s comments on the utility's proposed Draft Rate Order submitted March 4. Hearst provides its reply comments and corrections in the following format.


- Utility Comments
- Appendices A through M

In conjunction with the documents noted above, Hearst files excel versions the following models.

- Rate Maker [Hearst.RateMaker.DRO\_31032011]
- Rate Maker PILs Model [Hearst.RMpils.DRO\_31032011]
- Revenue Requirement Work Form [Hearst-2010 RRWF.DRO\_31032011]
- Cost Allocation Model [Hearst-2010 CA Model.DRO\_31032011]

This document is being filed pursuant to the Board's e-Filing Services. In order to reduce the carbon footprint, hard copies of these documents will be provided upon request.

Should there be any questions, please do not hesitate to contact me at 705-372-2815.

  
Nicole C. Leduc  
General Manager



**Hearst Power Distribution Company Limited  
Draft Rate Order  
EB-2009-0266**

**Comments on Draft Rate Order**

Hearst Power Distribution Company Limited (“Hearst”) submits the following comments accompanied by revised Tariff of Rates and Charges for 2010, customer bill impacts, and a completed Revenue Requirement Work Form in both PDF and excel format. Hearst is also filing its final Rate Maker Model and PILs model revised to reflect the Board Decision and Order issued February 15, 2011 and comments from BS and VECC received March 14, 2011 and March 15, 2011 respectively.

Comments are provided in following areas;

- **Rate Base**
  - Hearst confirms that it has removed its smart meter related capital expenditures from both 2009 and 2010 capital cost. The remaining \$6,194 in account 1860 for 2009 pertains to non-smart meter related expenditures. Details of the utility’s Net Capital are presented at Appendix F.
  
- **Working Capital – Cost of Power**
  - The commodity portion of the Pass-through charges has been revised to reflect the weighted average price of RPP/non-RPP and MUSH, as reported in the OEB RPP report.(Nov 10- Oct 11, Table ES-1). Details can be found at Appendix I. The corrected average used to determine the cost of power is 0.06775. Derivation of the Cost of Power can be found at Appendix K and determination of the Working Capital Allowance can be found at Appendix H.
  
- **Load Forecast**
  - No issues were reported

- Throughput revenue
  - Please note that a formula in Hearst's Rate Maker model was inadvertently overwritten. The total Transmission Network Charges for Street Lights should have been \$4,550 instead of the \$3,747 presented in the March 4<sup>th</sup> Draft Rate Order. This error has been rectified in the model filed in conjunction with this reply.

<u>Transmission - Network</u>	Customer	2009			2010			
		Class Name	Volume	Rate	Amount	Volume	Rate	Amount
	kWh	Residential	27,948,974	\$0.0044	122,975	27,852,221	\$0.0052	144,832
	kWh	GS<50kW	11,955,667	\$0.0040	47,823	12,976,189	\$0.0047	60,988
	kW	GS>50kW	50,670	\$1.6512	83,666	53,176	\$1.9563	104,028
	kW	Intermediate Users	65,897	\$1.8467	121,692	59,721	\$2.1880	130,669
	kW	Sentinel Lights	99	\$1.2516	124	72	\$1.4829	107
	kW	Street Lights	3,071	\$1.2452	3,824	3,084	\$1.4753	3,747
		<b>TOTAL</b>	<b>40,024,378</b>		<b>380,104</b>	<b>40,944,463</b>		<b>444,371</b>

<u>Transmission - Network</u>	Customer	2009			2010			
		Class Name	Volume	Rate	Amount	Volume	Rate	Amount
	kWh	Residential	27,948,974	\$0.0044	122,975	27,852,221	\$0.0052	144,832
	kWh	GS<50kW	11,955,667	\$0.0040	47,823	12,976,189	\$0.0047	60,988
	kW	GS>50kW	50,670	\$1.6512	83,666	53,176	\$1.9563	104,028
	kW	Intermediate Users	65,897	\$1.8467	121,692	59,721	\$2.1880	130,669
	kW	Sentinel Lights	99	\$1.2516	124	72	\$1.4829	107
	kW	Street Lights	3,071	\$1.2452	3,824	3,084	\$1.4753	4,550
		<b>TOTAL</b>	<b>40,024,378</b>		<b>380,104</b>	<b>40,944,463</b>		<b>445,174</b>

- As noted by Board Staff, Hearst has updated the Transformation Connection Service Rate of the IESO portion of the load to reflect \$1.77 as per approved by the Board. The determination of the RTSRs can be found at Appendix J
  - Updated Pass through charges are presented at Appendix K
- Misc Revenues
    - No issues were reported with the proposed misc revenue of \$68,907
  - Operating Costs
    - Depreciation Expense; the depreciation expense has been recalculated to reflect the exclusion of smart meter related capital expenditures from Rate Base. The derivation of

the utility's depreciation expense can be found at Appendix E and the utility's Net Capital can be found at Appendix F

- Cost of Capital and Rate of Return
  - Hearst has rectified the long debt rate in the Revenue Requirement Work Form ("RRWF"). The rate of 5.87% is now being used. A revised RRWF can be found at Appendix C
  - Both PILs model and RRWF have been updated with the appropriate depreciation expense and the Apprenticeship tax credit. (see Appendix C)
- Cost Allocation and Rate Design
  - Revenue to Cost Ratios have been revised accordingly. Details are presented at Appendix M.
- Implementation date
  - The foregone revenue rate rider has been revised as per VECC's comments. Details are presented at Appendix L
- Tariffs of Rates and Charges and Bill Impacts are presented at Appendix A and B respectively.
- Rate Base and Determination of Revenue Requirement are presented at Appendix D and G respectively.

**Amendments to the affected section of the Draft Rate Order are presented in the following appendices**

Appendix A - Tariff of Rates and Charges  
Appendix B - Customer Rate Impact Schedule (Summary and Detail)  
Appendix C - PDF version of Revenue Requirement Work Form  
Appendix D – Rate Base  
Appendix E - Calculation of Depreciation Expense  
Appendix F – Net Capital  
Appendix G – Revenue Requirement  
Appendix H – Working Capital Allowance  
Appendix I – Weighted Avg Commodity Price  
Appendix J - Calculation of Retail Transmission Service Rates  
Appendix K- Pass-Through Charges – revised average RPP rates  
Appendix L - Calculation of Loss Revenue Rate Rider  
Appendix M - Results from Cost Allocation  
Revenue Allocation  
Rate Design  
Reconciliation of Rates with Revenue / Recovery Requirement

~ Respectfully submitted ~

Hearst Power Distribution Company Limited  
Draft Rate Order  
EB-2009-0266

## APPENDICES

## Appendix A - Tariff of Rates and Charges

## Tariffs of Rates and Charges

		Effective Feb1/11
<b>Residential</b>		
Service Charge	\$	9.00
Smart Meter Rate Adder	\$	2.50
Distribution Volumetric Rate	\$/kWh	0.0156
Low Voltage Service Rate	\$/kWh	0.0007
Deferral Account Rate Rider - effective until April 30, 2014	\$/kWh	(0.0043)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	<b>\$</b>	<b>0.24</b>
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	<b>\$/kW</b>	<b>0.0010</b>
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
<b>GS&lt;50kW</b>		
Service Charge	\$	19.50
Smart Meter Rate Adder	\$	2.50
Distribution Volumetric Rate	\$/kWh	0.0066
Low Voltage Service Rate	\$/kWh	0.0006
Deferral Account Rate Rider - effective until April 30, 2014	\$/kWh	(0.0040)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	<b>\$</b>	<b>2.24</b>
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	<b>\$/kW</b>	<b>(0.0003)</b>
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
<b>GS&gt;50kW</b>		
Service Charge	\$	66.00
Smart Meter Rate Adder	\$	2.50
Distribution Volumetric Rate	\$/kW	2.7945
Low Voltage Service Rate	\$/kW	0.2270
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(1.3889)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	<b>\$</b>	<b>5.63</b>
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	<b>\$/kW</b>	<b>0.0428</b>
Retail Transmission Rate – Network Service Rate	\$/kW	1.9563
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5861
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

## Tariffs of Rates and Charges

		<b>Effective Feb1/11</b>
<b>Intermediate Users</b>		
Service Charge	\$	220.00
Distribution Volumetric Rate	\$/kW	1.0077
Low Voltage Service Rate	\$/kW	0.2677
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(1.2268)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	\$	<b>25.06</b>
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	\$/kW	<b>0.1083</b>
Retail Transmission Rate – Network Service Rate	\$/kW	2.1880
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8708
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
<b>Sentinel Lights</b>		
Service Charge (per connection)	\$	7.00
Distribution Volumetric Rate	\$/kW	3.0778
Low Voltage Service Rate	\$/kW	0.1791
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(5.5214)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	\$	<b>0.46</b>
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	\$/kW	<b>0.2387</b>
Retail Transmission Rate – Network Service Rate	\$/kW	1.4829
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2404
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
<b>Street Lights</b>		
Service Charge (per )	\$	5.50
Distribution Volumetric Rate	\$/kW	1.6027
Low Voltage Service Rate	\$/kW	0.1755
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(3.1332)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0056
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	\$	<b>0.69</b>
<b>Foregone Revenue Volumetric Rate Rider - effective until April 30, 2012</b>	\$/kW	<b>0.1042</b>
Retail Transmission Rate – Network Service Rate	\$/	1.4753
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/	1.2151
Wholesale Market Service Rate	\$/	0.0052
Rural Rate Protection Charge	\$/	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
<b>microFIT Generator Service (effective September 21, 2009)</b>		
Service Charge	\$	5.25

### Specific Service Charges

## Tariffs of Rates and Charges

		<b>Effective Feb1/11</b>
Arrears Certificate	\$	15.00
Easement Letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge / change of occupancy charge	\$	30.00
Special Meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Late Payment - per month	%	1.50
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	40.00
Install / remove load control device – during regular hours	\$	40.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Retailer Service Agreement -- standard charge	\$	100.00
Retailer Service Agreement -- monthly fixed charge (per retailer)	\$	20.00
Retailer Service Agreement -- monthly variable charge (per customer)	\$	0.50
Distributor-Consolidated Billing -- monthly charge (per customer)	\$	0.30
Service Transaction Request -- request fee (per request)	\$	0.25
Service Transaction Request -- processing fee (per processed request)	\$	0.50



## Tariffs of Rates and Charges

		<b>Effective Feb1/11</b>
<b>Allowances</b>		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	-0.45
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	
<b>LOSS FACTORS</b>		
Secondary Metered Customer < 5000 kWh		1.0460
Primary Metered Customer < 5000 kWh		1.0356

## Appendix B - Customer Rate Impact Schedule (Summary and Detail)

**F9 Bill Impact Summary**

Customer Class Name	Volume		RPP Rate Class	Distribution Charges *		Delivery Sub-total		Total Bill	
	kWh	kW		\$ change	% change	\$ change	% change	\$ change	% change
Residential	800		Summer	\$7.96	48.0%	\$4.65	19.0%	\$4.34	4.8%
	1,000		Winter	\$9.18	49.3%	\$5.05	17.7%	\$4.65	4.3%
GS<50kW	2,000		Non-res.	\$11.03	43.5%	\$3.36	7.8%	\$2.58	1.2%
GS>50kW	41,700	120	Non-res.	\$41.56	10.7%	(\$112.20)	(14.0%)	(\$128.66)	(2.8%)
Intermediate Users	1,500,000	1,500	Non-res.	\$770.56	56.6%	(\$907.19)	(12.4%)	(\$1,498.87)	(1.0%)
Sentinel Lights	150	1.00	n/a	\$4.38	74.6%	(\$1.07)	(12.5%)	(\$1.12)	(5.3%)
Street Lights	150	1.00	n/a	\$5.00	>100%	\$1.95	39.6%	\$1.90	10.8%

\* Includes Low Voltage charges

# F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

**Residential**

**RPP: Summer**

800 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$8.42			\$11.50	\$3.08	36.6%
† Distribution	kWh	800	\$0.0102	\$8.16	800	\$0.0163	\$13.04	\$4.88	59.8%
<b>Sub-Total (Distribution)</b>				<b>\$16.58</b>			<b>\$24.54</b>	<b>\$7.96</b>	<b>48.0%</b>
† Deferral/Variance	kWh	800			800	(\$0.0043)	(\$3.44)	(\$3.44)	
Electricity (Commodity)	kWh	841	RPP-Summer	\$56.21	837	RPP-Summer	\$55.92	(\$0.29)	(0.5%)
† Transmission - Network	kWh	841	\$0.0044	\$3.70	837	\$0.0052	\$4.35	\$0.65	17.6%
† Transmission - Connection	kWh	841	\$0.0050	\$4.20	837	\$0.0044	\$3.68	(\$0.52)	(12.4%)
Wholesale Market Service	kWh	841	\$0.0052	\$4.37	837	\$0.0052	\$4.35	(\$0.02)	(0.5%)
Rural Rate Protection	kWh	841	\$0.0013	\$1.09	837	\$0.0013	\$1.09		
Debt Retirement Charge	kWh	800	\$0.0061	\$4.88	800	\$0.0061	\$4.88		
<b>TOTAL BILL</b>				<b>\$91.03</b>			<b>\$95.37</b>	<b>\$4.34</b>	<b>4.8%</b>
† <i>Delivery Only</i>				\$24.48			\$29.13	\$4.65	19.0%

# F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

GS<50kW

RPP: Non-res.

2,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$5.97			\$22.00	\$16.03	>100%
† Distribution	kWh	2,000	\$0.0097	\$19.40	2,000	\$0.0072	\$14.40	(\$5.00)	(25.8%)
<b>Sub-Total (Distribution)</b>				<b>\$25.37</b>			<b>\$36.40</b>	<b>\$11.03</b>	<b>43.5%</b>
† Deferral/Variance	kWh	2,000			2,000	(\$0.0040)	(\$8.00)	(\$8.00)	
Electricity (Commodity)	kWh	2,102	RPP-Non-res.	\$148.03	2,092	RPP-Non-res.	\$147.31	(\$0.72)	(0.5%)
† Transmission - Network	kWh	2,102	\$0.0040	\$8.41	2,092	\$0.0047	\$9.83	\$1.42	16.9%
† Transmission - Connection	kWh	2,102	\$0.0045	\$9.46	2,092	\$0.0040	\$8.37	(\$1.09)	(11.5%)
Wholesale Market Service	kWh	2,102	\$0.0052	\$10.93	2,092	\$0.0052	\$10.88	(\$0.05)	(0.5%)
Rural Rate Protection	kWh	2,102	\$0.0013	\$2.73	2,092	\$0.0013	\$2.72	(\$0.01)	(0.4%)
Debt Retirement Charge	kWh	2,000	\$0.0061	\$12.20	2,000	\$0.0061	\$12.20		
<b>TOTAL BILL</b>				<b>\$217.13</b>			<b>\$219.71</b>	<b>\$2.58</b>	<b>1.2%</b>
† Delivery Only				\$43.24			\$46.60	\$3.36	7.8%

# F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

GS>50kW

RPP: Non-res.

41,700 kWh's 120 kW's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$30.41			\$68.50	\$38.09	>100%
† Distribution	kW	120	\$2.9926	\$359.11	120	\$3.0215	\$362.58	\$3.47	1.0%
<b>Sub-Total (Distribution)</b>				<b>\$389.52</b>			<b>\$431.08</b>	<b>\$41.56</b>	<b>10.7%</b>
† Deferral/Variance	kW	120			120	(\$1.3889)	(\$166.67)	(\$166.67)	
Electricity (Commodity)	kWh	43,823	RPP-Non-res.	\$3,235.37	43,618	RPP-Non-res.	\$3,220.25	(\$15.12)	(0.5%)
† Transmission - Network	kW	120	\$1.6512	\$198.14	120	\$1.9563	\$234.76	\$36.62	18.5%
† Transmission - Connection	kW	120	\$1.7837	\$214.04	120	\$1.5861	\$190.33	(\$23.71)	(11.1%)
Wholesale Market Service	kWh	43,823	\$0.0052	\$227.88	43,618	\$0.0052	\$226.81	(\$1.07)	(0.5%)
Rural Rate Protection	kWh	43,823	\$0.0013	\$56.97	43,618	\$0.0013	\$56.70	(\$0.27)	(0.5%)
Debt Retirement Charge	kWh	41,700	\$0.0061	\$254.37	41,700	\$0.0061	\$254.37		
<b>TOTAL BILL</b>				<b>\$4,576.29</b>			<b>\$4,447.63</b>	<b>(\$128.66)</b>	<b>(2.8%)</b>
† <i>Delivery Only</i>				<i>\$801.70</i>			<i>\$689.50</i>	<i>(\$112.20)</i>	<i>(14.0%)</i>

**F8 Customer Bill Impact Analysis**

RPP rates per sheet Y7

**Intermediate Users**

RPP: Non-res.

1,500,000 kWh's 1,500 kW's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$57.09			\$220.00	\$162.91	>100%
† Distribution	kW	1,500	\$0.8703	\$1,305.45	1,500	\$1.2754	\$1,913.10	\$607.65	46.5%
<b>Sub-Total (Distribution)</b>				<b>\$1,362.54</b>			<b>\$2,133.10</b>	<b>\$770.56</b>	<b>56.6%</b>
† Deferral/Variance	kW	1,500			1,500	(\$1.2268)	(\$1,840.20)	(\$1,840.20)	
Electricity (Commodity)	kWh	1,576,350	RPP-Non-res.	\$116,642.40	1,569,000	RPP-Non-res.	\$116,098.50	(\$543.90)	(0.5%)
† Transmission - Network	kW	1,500	\$1.8467	\$2,770.05	1,500	\$2.1880	\$3,282.00	\$511.95	18.5%
† Transmission - Connection	kW	1,500	\$2.1038	\$3,155.70	1,500	\$1.8708	\$2,806.20	(\$349.50)	(11.1%)
Wholesale Market Service	kWh	1,576,350	\$0.0052	\$8,197.02	1,569,000	\$0.0052	\$8,158.80	(\$38.22)	(0.5%)
Rural Rate Protection	kWh	1,576,350	\$0.0013	\$2,049.26	1,569,000	\$0.0013	\$2,039.70	(\$9.56)	(0.5%)
Debt Retirement Charge	kWh	1,500,000	\$0.0061	\$9,150.00	1,500,000	\$0.0061	\$9,150.00		
<b>TOTAL BILL</b>				<b>\$143,326.97</b>			<b>\$141,828.10</b>	<b>(\$1,498.87)</b>	<b>(1.0%)</b>
† Delivery Only				\$7,288.29			\$6,381.10	(\$907.19)	(12.4%)

# F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

## Sentinel Lights

RPP: n/a

150 kWh's		2009 BILL			2010 BILL			CHANGE IMPACT	
1 kW's		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
†	Monthly Service Charge			\$3.98			\$7.00	\$3.02	75.9%
†	Distribution	kW	1.00	\$1.8938	1	\$3.2569	\$3.26	\$1.36	72.0%
	<b>Sub-Total (Distribution)</b>			<b>\$5.87</b>			<b>\$10.26</b>	<b>\$4.38</b>	<b>74.6%</b>
†	Deferral/Variance	kW	1.00		1	(\$5.5214)	(\$5.52)	(\$5.52)	
	Electricity (Commodity)	kWh	158	\$0.0678	157	\$0.0678	\$10.63	(\$0.05)	(0.5%)
†	Transmission - Network	kW	1.00	\$1.2516	1	\$1.4829	\$1.48	\$0.23	18.4%
†	Transmission - Connection	kW	1.00	\$1.4077	1	\$1.2518	\$1.25	(\$0.16)	(11.3%)
	Wholesale Market Service	kWh	158	\$0.0052	157	\$0.0052	\$0.82		
	Rural Rate Protection	kWh	158	\$0.0013	157	\$0.0013	\$0.20		
	Debt Retirement Charge	kWh	150	\$0.0061	150	\$0.0061	\$0.92		
	<b>TOTAL BILL</b>			<b>\$21.15</b>			<b>\$20.04</b>	<b>(\$1.12)</b>	<b>(5.3%)</b>
†	<i>Delivery Only</i>			<i>\$8.53</i>			<i>\$7.47</i>	<i>(\$1.07)</i>	<i>(12.5%)</i>



# F8 Customer Bill Impact Analysis

RPP rates per sheet

## Residential

### RPP: Winter

1,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$8.42			\$11.50	\$3.08	36.6%
† Distribution	kWh	1,000	\$0.0102	\$10.20	1,000	\$0.0163	\$16.30	\$6.10	59.8%
<b>Sub-Total (Distribution)</b>				<b>\$18.62</b>			<b>\$27.80</b>	<b>\$9.18</b>	<b>49.3%</b>
† Deferral/Variance	kWh	1,000			1,000	(\$0.0043)	(\$4.30)	(\$4.30)	
Electricity (Commodity)	kWh	1,051	RPP-Winter	\$67.77	1,046	RPP-Winter	\$67.40	(\$0.37)	(0.5%)
† Transmission - Network	kWh	1,051	\$0.0044	\$4.62	1,046	\$0.0052	\$5.44	\$0.82	17.7%
† Transmission - Connection	kWh	1,051	\$0.0050	\$5.25	1,046	\$0.0044	\$4.60	(\$0.65)	(12.4%)
Wholesale Market Service	kWh	1,051	\$0.0052	\$5.46	1,046	\$0.0052	\$5.44	(\$0.02)	(0.4%)
Rural Rate Protection	kWh	1,051	\$0.0013	\$1.37	1,046	\$0.0013	\$1.36	(\$0.01)	(0.7%)
Debt Retirement Charge	kWh	1,000	\$0.0061	\$6.10	1,000	\$0.0061	\$6.10		
<b>TOTAL BILL</b>				<b>\$109.19</b>			<b>\$113.84</b>	<b>\$4.65</b>	<b>4.3%</b>
† <i>Delivery Only</i>				\$28.49			\$33.54	\$5.05	17.7%

# F8 Customer Bill Impact Analysis

RPP rates per sheet

**Street Lights**

RPP: n/a

150 kWh's

1 kW's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
† Monthly Service Charge				\$0.99			\$5.50	\$4.51	>100%
† Distribution	kW	1	\$1.2912	\$1.29	1	\$1.7782	\$1.78	\$0.49	37.7%
<b>Sub-Total (Distribution)</b>				<b>\$2.28</b>			<b>\$7.28</b>	<b>\$5.00</b>	<b>&gt;100%</b>
† Deferral/Variance	kW	1			1	(\$3.1332)	(\$3.13)	(\$3.13)	
Electricity (Commodity)	kWh	158	\$0.0678	\$10.68	157	\$0.0678	\$10.63	(\$0.05)	(0.5%)
† Transmission - Network	kW	1	\$1.2452	\$1.25	1	\$1.4753	\$1.48	\$0.23	18.4%
† Transmission - Connection	kW	1	\$1.3790	\$1.38	1	\$1.2263	\$1.23	(\$0.15)	(10.9%)
Wholesale Market Service	kWh	158	\$0.0052	\$0.82	157	\$0.0052	\$0.82		
Rural Rate Protection	kWh	158	\$0.0013	\$0.20	157	\$0.0013	\$0.20		
Debt Retirement Charge	kWh	150	\$0.0061	\$0.92	150	\$0.0061	\$0.92		
<b>TOTAL BILL</b>				<b>\$17.53</b>			<b>\$19.43</b>	<b>\$1.90</b>	<b>10.8%</b>
† Delivery Only				\$4.91			\$6.86	\$1.95	39.6%

Appendix C - PDF version of Revenue Requirement  
Work Form



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

Ontario

Data Input			
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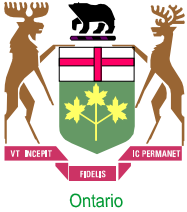
(1)

	Application		Adjustments		Per Board Decision
<b>1 Rate Base</b>					
Gross Fixed Assets (average)	\$3,873,122	(4)			\$3,873,122
Accumulated Depreciation (average)	(\$3,053,718)	(5)			(\$3,053,718)
<b>Allowance for Working Capital:</b>					
Controllable Expenses	\$923,677	(6)			\$923,677
Cost of Power	\$6,899,032				\$6,899,032
Working Capital Rate (%)	15.00%				15.00%
<b>2 Utility Income</b>					
<b>Operating Revenues:</b>					
Distribution Revenue at Current Rates	\$752,831				
Distribution Revenue at Proposed Rates	\$1,112,844				
<b>Other Revenue:</b>					
Specific Service Charges	\$32,170				
Late Payment Charges	\$13,120				
Other Distribution Revenue	\$7,764				
Other Income and Deductions	\$15,853				
<b>Operating Expenses:</b>					
OM+A Expenses	\$923,677				\$923,677
Depreciation/Amortization	\$108,336				\$108,336
Property taxes	\$ -				\$0
<b>Capital taxes</b>					
Other expenses					
<b>3 Taxes/PILs</b>					
<b>Taxable Income:</b>					
Adjustments required to arrive at taxable income	(\$20,214)	(3)			
<b>Utility Income Taxes and Rates:</b>					
Income taxes (not grossed up)	\$9,329				
Income taxes (grossed up)	\$11,106				
Capital Taxes					
Federal tax (%)	11.00%				
Provincial tax (%)	5.00%				
Income Tax Credits	(\$7,041)				
<b>4 Capitalization/Cost of Capital</b>					
<b>Capital Structure:</b>					
Long-term debt Capitalization Ratio (%)	56.0%				
Short-term debt Capitalization Ratio (%)	4.0%	(2)			(2)
Common Equity Capitalization Ratio (%)	40.0%				
Preferred Shares Capitalization Ratio (%)					
					Capital Structure must total 100%
<b>Cost of Capital</b>					
Long-term debt Cost Rate (%)	5.87%				
Short-term debt Cost Rate (%)	2.07%				
Common Equity Cost Rate (%)	9.85%				
Preferred Shares Cost Rate (%)					

**Notes:**

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

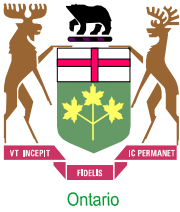
### Rate Base

Line No.	Particulars	Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$3,873,122	\$ -	\$3,873,122
2	Accumulated Depreciation (average) (3)	(\$3,053,718)	\$ -	(\$3,053,718)
3	Net Fixed Assets (average) (3)	\$819,404	\$ -	\$819,404
4	Allowance for Working Capital (1)	\$1,173,406	\$ -	\$1,173,406
5	<b>Total Rate Base</b>	<b>\$1,992,810</b>	<b>\$ -</b>	<b>\$1,992,810</b>

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$923,677	\$ -	\$923,677
7	Cost of Power	\$6,899,032	\$ -	\$6,899,032
8	Working Capital Base	\$7,822,709	\$ -	\$7,822,709
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$1,173,406	\$ -	\$1,173,406

#### Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.  
 (3) Average of opening and closing balances for the year.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

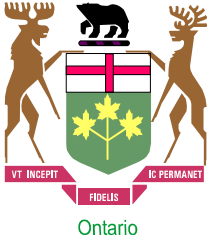
Rate Year: 2010

### Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
<b>Operating Revenues:</b>				
1	Distribution Revenue (at Proposed Rates)	\$1,112,844	\$ -	\$1,112,844
2	Other Revenue (1)	\$68,907	\$ -	\$68,907
3	<b>Total Operating Revenues</b>	<b>\$1,181,751</b>	<b>\$ -</b>	<b>\$1,181,751</b>
<b>Operating Expenses:</b>				
4	OM+A Expenses	\$923,677	\$ -	\$923,677
5	Depreciation/Amortization	\$108,336	\$ -	\$108,336
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	<b>Subtotal</b>	<b>\$1,032,013</b>	<b>\$ -</b>	<b>\$1,032,013</b>
10	Deemed Interest Expense	\$67,158	\$ -	\$67,158
11	<b>Total Expenses (lines 4 to 10)</b>	<b>\$1,099,171</b>	<b>\$ -</b>	<b>\$1,099,171</b>
12	<b>Utility income before income taxes</b>	<b>\$82,580</b>	<b>\$ -</b>	<b>\$82,580</b>
13	Income taxes (grossed-up)	\$11,106	\$ -	\$11,106
14	<b>Utility net income</b>	<b>\$71,474</b>	<b>\$ -</b>	<b>\$71,474</b>

#### Notes

(1)	<b>Other Revenues / Revenue Offsets</b>		
	Specific Service Charges	\$32,170	\$32,170
	Late Payment Charges	\$13,120	\$13,120
	Other Distribution Revenue	\$7,764	\$7,764
	Other Income and Deductions	\$15,853	\$15,853
	<b>Total Revenue Offsets</b>	<b>\$68,907</b>	<b>\$68,907</b>



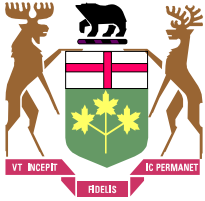
## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.  
 File Number: EB-2009-0132  
 Rate Year: 2010

### Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<b><u>Determination of Taxable Income</u></b>			
1	Utility net income	\$78,517	\$78,517
2	Adjustments required to arrive at taxable utility income	(\$20,214)	(\$20,214)
3	Taxable income	\$58,303	\$58,303
<b><u>Calculation of Utility income Taxes</u></b>			
4	Income taxes	\$9,329	\$9,329
5	Capital taxes	\$ -	\$ -
6	Total taxes	\$9,329	\$9,329
7	Gross-up of Income Taxes	\$1,777	\$1,777
8	Grossed-up Income Taxes	\$11,106	\$11,106
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$11,106	\$11,106
10	Other tax Credits	(\$7,041)	(\$7,041)
<b><u>Tax Rates</u></b>			
11	Federal tax (%)	11.00%	11.00%
12	Provincial tax (%)	5.00%	5.00%
13	Total tax rate (%)	16.00%	16.00%

**Notes**



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

Ontario

### Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
<b>Application</b>					
<b>Debt</b>					
1	Long-term Debt	56.00%	\$1,115,974	5.87%	\$65,508
2	Short-term Debt	4.00%	\$79,712	2.07%	\$1,650
3	<b>Total Debt</b>	60.00%	\$1,195,686	5.62%	\$67,158
<b>Equity</b>					
4	Common Equity	40.00%	\$797,124	9.85%	\$78,517
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	40.00%	\$797,124	9.85%	\$78,517
7	<b>Total</b>	100%	\$1,992,810	7.31%	\$145,674

<b>Per Board Decision</b>					
		(%)	(\$)	(%)	
<b>Debt</b>					
8	Long-term Debt	56.00%	\$1,115,974	5.87%	\$65,508
9	Short-term Debt	4.00%	\$79,712	2.07%	\$1,650
10	<b>Total Debt</b>	60.00%	\$1,195,686	5.62%	\$67,158
<b>Equity</b>					
11	Common Equity	40.0%	\$797,124	9.85%	\$78,517
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	40.0%	\$797,124	9.85%	\$78,517
14	<b>Total</b>	100%	\$1,992,810	7.31%	\$145,674

**Notes**

(1) 4.0% unless an Applicant has proposed or been approved for another amount.







## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.  
 File Number: EB-2009-0132  
 Rate Year: 2010

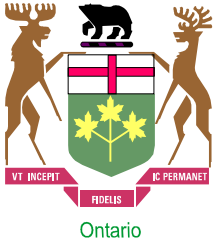
Ontario

### Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$358,673		\$358,673
2	Distribution Revenue	\$752,831	\$754,171	\$752,831	\$754,171
3	Other Operating Revenue Offsets - net	\$68,907	\$68,907	\$68,907	\$68,907
4	<b>Total Revenue</b>	\$821,738	\$1,181,751	\$821,738	\$1,181,751
5	Operating Expenses	\$1,032,013	\$1,032,013	\$1,032,013	\$1,032,013
6	Deemed Interest Expense	\$67,158	\$67,158	\$67,158	\$67,158
	<b>Total Cost and Expenses</b>	\$1,099,171	\$1,099,171	\$1,099,171	\$1,099,171
7	<b>Utility Income Before Income Taxes</b>	(\$277,433)	\$82,580	(\$277,433)	\$82,580
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	(\$20,214)	(\$20,214)	(\$20,214)	(\$20,214)
9	<b>Taxable Income</b>	(\$297,647)	\$62,366	(\$297,647)	\$62,366
10	Income Tax Rate	16.00%	16.00%	16.00%	16.00%
11	<b>Income Tax on Taxable Income</b>	(\$47,623)	\$9,979	(\$47,623)	\$9,979
12	<b>Income Tax Credits</b>	(\$7,041)	(\$7,041)	(\$7,041)	(\$7,041)
13	<b>Utility Net Income</b>	(\$222,768)	\$71,474	(\$222,768)	\$71,474
14	<b>Utility Rate Base</b>	\$1,992,810	\$1,992,810	\$1,992,810	\$1,992,810
	Deemed Equity Portion of Rate Base	\$797,124	\$797,124	\$797,124	\$797,124
15	Income/Equity Rate Base (%)	-27.95%	8.97%	-27.95%	8.97%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-37.80%	-0.88%	-37.80%	-0.88%
17	Indicated Rate of Return	-7.81%	6.96%	-7.81%	6.96%
18	Requested Rate of Return on Rate Base	7.31%	7.31%	7.31%	7.31%
19	Sufficiency/Deficiency in Rate of Return	-15.12%	-0.35%	-15.12%	-0.35%
20	Target Return on Equity	\$78,517	\$78,517	\$78,517	\$78,517
21	Revenue Sufficiency/Deficiency	\$301,285	(\$7,042)	\$301,285	(\$7,042)
22	<b>Gross Revenue Sufficiency/Deficiency</b>	\$358,673	(1)	\$358,673	(1)

**Notes:**

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



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

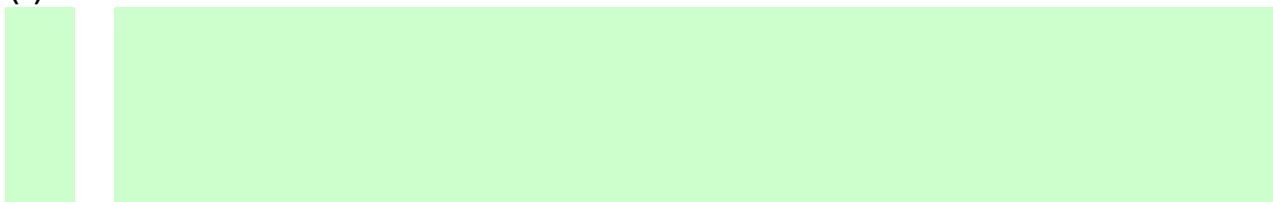
Rate Year: 2010

### Revenue Requirement

Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$923,677	\$923,677
2	Amortization/Depreciation	\$108,336	\$108,336
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$11,106	\$11,106
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$67,158	\$67,158
	Return on Deemed Equity	\$78,517	\$78,517
8	Distribution Revenue Requirement before Revenues	\$1,188,793	\$1,188,793
9	Distribution revenue	\$1,112,844	\$1,112,844
10	Other revenue	\$68,907	\$68,907
11	<b>Total revenue</b>	<b>\$1,181,751</b>	<b>\$1,181,751</b>
12	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<b>(\$7,042) (1)</b>	<b>(\$7,042) (1)</b>

**Notes**

(1) Line 11 - Line 8





## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

Selected Delivery Charge and Bill Impacts Per Draft Rate Order									
		Monthly Delivery Charge				Total Bill			
		Current	Per Draft Rate Order	Change		Current	Per Draft Rate Order	Change	
				\$	%			\$	%
<b>Residential</b>	<b>800 kWh/month</b>	\$ 8.42	\$ 11.50	\$ 3.08	36.6%	\$ 91.03	\$ 95.37	\$ 4.34	4.8%
<b>GS &lt; 50kW</b>	<b>2000 kWh/month</b>	\$ 5.97	\$ 22.00	\$ 16.03	268.5%	\$ 217.13	\$ 219.71	\$ 2.58	1.2%

**Notes:**

Please see draft rate order for detailed Bill Impacts

## Appendix D - Rate Base

# Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

## D1 Rate Base Summary

*Enter the Working Capital Allowance factor*

### Working Capital Allowance

	<u>2010</u>
<u>Eligible Distribution Expenses:</u> (1)	
3500-Distribution Expenses - Operation	95,218
3550-Distribution Expenses - Maintenance	284,565
3650-Billing and Collecting	230,079
3700-Community Relations	5,000
3800-Administrative and General Expenses	308,815
3950-Taxes Other Than Income Taxes	
<b>Total Eligible Distribution Expenses</b>	<b>923,677</b>
3350-Power Supply Expenses (2)	6,899,032
<b>Total Expenses for Working Capital</b>	<b>7,822,709</b>
Working Capital Allowance	<b>15.0%</b>
	<b>1,173,406</b>

(1) From sheet B4  
(2) From sheet C2

<u>TOTAL RATE BASE</u>		<u>2010</u>
<u>Net Fixed Assets in Service:</u> (3)		
Opening Balance	810,159	
Closing Balance	<u>828,649</u>	
Average Balance		819,404
Working Capital Allowance		1,173,406
<b>TOTAL RATE BASE</b>		<b>1,992,811</b>

(3) From Sheet B3

## Appendix E - Calculation of Depreciation Expense

		2008	2008	2008	2008	2008	2008	2008	
Account	Description	Opening Balance (a)	Less Fully Depreciated (b)	Net for Depreciation (c) = (a) - (b)	Additions (d)	Total for Depreciation (e) = (c) + 0.5 x (d)	Years (f)	Depreciation Expense (g) = (e) / (f)	
	<b>Transmission Plant</b>								
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0		
	<b>Sub-Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
	<b>Distribution Plant</b>								
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00			
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00			
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00			
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00			
1830	1830 - Poles, Towers and Fixtures	28,002.83	0.00	28,002.83	2,625.07	29,315.37	25.00	1172.61	
1835	1835 - Overhead Conductors and Devices	1,569,727.08	630,167.71	939,559.37	9,897.50	944,508.12	25.00	37780.32	
1840	1840 - Underground Conduit	5,158.18	0.00	5,158.18	714.83	5,515.60	25.00	220.62	
1845	1845 - Underground Conductors and Devices	420,217.08	69,339.75	350,877.33	3,173.08	352,463.87	25.00	14098.55	
1850	1850 - Line Transformers	538,186.01	299,334.76	238,851.25	4,385.92	241,044.21	25.00	9641.77	
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00			
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00			
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00			
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00			
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00			
	<b>Sub-Total</b>	<b>2,561,291.18</b>	<b>998,842.22</b>	<b>1,562,448.96</b>	<b>20,796.40</b>	<b>1,572,847.16</b>	<b>125.00</b>	<b>62913.89</b>	
	<b>General Plant</b>								
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00		
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00			
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00			
1906	1906 - Land Rights	4,232.00	0.00	4,232.00	0.00	4,232.00	10.00	423.20	
1908	1908 - Buildings and Fixtures	201,569.97	0.00	201,569.97	0.00	201,569.97	50.00	4031.40	
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00			
1915	1915 - Office Furniture and Equipment	42,162.53	13,424.32	28,738.21	0.00	28,738.21	10.00	2873.82	
1920	1920 - Computer Equipment - Hardware	79,521.69	77,300.53	2,221.16	14,156.76	9,299.54	5.00	1859.91	
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	0.00	0.00	5.00	0.00	
1925	1925 - Computer Software	54,982.23	49,669.20	5,313.03	60,975.07	35,800.57	5.00	7160.11	
1930	1930 - Transportation Equipment	471,962.62	441,136.22	30,826.40	14,472.00	38,062.40	5.00	7612.48	
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45	
1940	1940 - Tools, Shop and Garage Equipment	93,949.20	78,547.93	15,401.27	2,821.80	16,812.17	10.00	1681.22	
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00			
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00			
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60	
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00			
	<b>Sub-Total</b>	<b>961,380.80</b>	<b>660,078.20</b>	<b>301,302.60</b>	<b>92,425.63</b>	<b>347,515.42</b>	<b>120.00</b>	<b>26182.19</b>	
	<b>Other Plant</b>								
1855	1855 - Services	9,561.93	0.00	9,561.93	204.03	9,663.95	25.00	386.56	
1861	1861 - Smart Meters	0.00	0.00	0.00	0.00	0.00	25.00	0.00	
1860	1860 - Meters	357,563.62	134,494.13	223,069.49	1,058.40	223,598.69	25.00	8943.95	
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00		
	<b>Sub-Total</b>	<b>367,125.55</b>	<b>134,494.13</b>	<b>232,631.42</b>	<b>1,262.43</b>	<b>233,262.64</b>	<b>75.00</b>	<b>9330.51</b>	
	<b>TOTAL</b>	<b>3,889,797.53</b>	<b>1,793,414.55</b>	<b>2,096,382.98</b>	<b>114,484.46</b>	<b>2,153,625.21</b>	<b>320.00</b>	<b>98,426.59</b>	

NOTE: Accounts 1806, 1610 and 1990 are not included  
However, since their closing balance costs in th

Account	Description	2009 Opening Balance (a)	2009 Less Fully Depreciated (b)	2009 Net for Depreciation (c) = (a) - (b)	2009 Additions (d)	2009 Total for Depreciation (e) = (c) + 0.5 x (d)	2009 Years (f)	2009 Depreciation Expense (g) = (e) / (f)
<b>Transmission Plant</b>								
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0	
	<b>Sub-Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Distribution Plant</b>								
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00		
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00		
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00		
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00		
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00		
1830	1830 - Poles, Towers and Fixtures	30,627.90	0.00	30,627.90	1,969.17	31,612.49	25.00	1264.50
1835	1835 - Overhead Conductors and Devices	1,579,624.58	644,218.71	935,405.87	2,355.06	936,583.40	25.00	37463.34
1840	1840 - Underground Conduit	5,873.01	0.00	5,873.01	0.00	5,873.01	25.00	234.92
1845	1845 - Underground Conductors and Devices	423,390.16	69,339.75	354,050.41	0.00	354,050.41	25.00	14162.02
1850	1850 - Line Transformers	542,571.93	299,334.76	243,237.17	2,377.69	244,426.02	25.00	9777.04
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00		
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00		
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00		
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00		
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00		
	<b>Sub-Total</b>	<b>2,582,087.58</b>	<b>1,012,893.22</b>	<b>1,569,194.36</b>	<b>6,701.92</b>	<b>1,572,545.32</b>	<b>125.00</b>	<b>62901.81</b>
<b>General Plant</b>								
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00	
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00		
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00		
1906	1906 - Land Rights	4,232.00	0.00	4,232.00	0.00	4,232.00	10.00	423.20
1908	1908 - Buildings and Fixtures	201,569.97	0.00	201,569.97	13,009.06	208,074.50	50.00	4161.49
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00		
1915	1915 - Office Furniture and Equipment	42,162.53	13,424.32	28,738.21	5,965.92	31,721.17	10.00	3172.12
1920	1920 - Computer Equipment - Hardware	93,678.45	77,300.53	16,377.92	0.00	16,377.92	5.00	3275.58
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	0.00	0.00	5.00	0.00
1925	1925 - Computer Software	115,957.33	54,982.26	60,975.07	0.00	60,975.07	5.00	12195.01
1930	1930 - Transportation Equipment	486,434.62	441,136.22	45,298.40	0.00	45,298.40	5.00	9059.68
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45
1940	1940 - Tools, Shop and Garage Equipment	96,771.00	82,807.94	13,963.06	0.00	13,963.06	10.00	1396.31
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00		
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00		
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00		
	<b>Sub-Total</b>	<b>1,053,806.46</b>	<b>669,651.27</b>	<b>384,155.19</b>	<b>18,974.98</b>	<b>393,642.68</b>	<b>120.00</b>	<b>34223.45</b>
<b>Other Plant</b>								
1855	1855 - Services	9,765.96	0.00	9,765.96	0.00	9,765.96	25.00	390.64
1861	1861 - Smart Meters	0.00	0.00	0.00	0.00	0.00	15.00	0.00
1860	1860 - Meters	358,622.02	226,442.00	132,180.02	6,194.22	135,277.13	25.00	5411.09
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Sub-Total</b>	<b>368,387.98</b>	<b>271,900.41</b>	<b>141,945.98</b>	<b>6,194.22</b>	<b>145,043.09</b>	<b>65.00</b>	<b>5801.72</b>
	<b>TOTAL</b>	<b>4,004,282.02</b>	<b>1,954,444.90</b>	<b>2,095,295.53</b>	<b>31,871.12</b>	<b>2,111,231.09</b>	<b>310.00</b>	<b>102,926.98</b>

NOTE: Accounts 1806, 1610 and 1990 are not included  
However, since their closing balance costs in th



Account	Description	2010 Opening Balance (a)	2010 Less Fully Depreciated (b)	2010 Net for Depreciation (c) = (a) - (b)	2010 Additions (d)	2010 Total for Depreciation (e) = (c) + 0.5 x (d)	2010 Years (f)	2010 Depreciation Expense (g) = (e) / (f)
<b>Transmission Plant</b>								
1815	1815 - Transformer Station Equipment	0.00	0.00	0.00	0.00	0.00	0	
	<b>Sub-Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Distribution Plant</b>								
1805	1805 - Land	0.00	0.00	0.00	0.00	0.00		
1806	1806 - Land Rights	0.00	0.00	0.00	0.00	0.00		
1810	1810 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00		
1820	1820 - Distribution Station Equipment	0.00	0.00	0.00	0.00	0.00		
1825	1825 - Storage Battery Equipment	0.00	0.00	0.00	0.00	0.00		
1830	1830 - Poles, Towers and Fixtures	32,597.07	0.00	32,597.07	10,000.00	37,597.07	25.00	1503.88
1835	1835 - Overhead Conductors and Devices	1,581,979.64	688,281.46	893,698.18	18,500.00	902,948.18	25.00	36117.93
1840	1840 - Underground Conduit	5,873.01	0.00	5,873.01	0.00	5,873.01	25.00	234.92
1845	1845 - Underground Conductors and Devices	423,390.16	69,339.75	354,050.41	13,300.00	360,700.41	25.00	14428.02
1850	1850 - Line Transformers	544,949.62	299,334.76	245,614.86	16,500.00	253,864.86	25.00	10154.59
1970	1970 - Load Management Controls - Customer Premises	0.00	0.00	0.00	0.00	0.00		
1975	1975 - Load Management Controls - Utility Premises	0.00	0.00	0.00	0.00	0.00		
1980	1980 - System Supervisory Equipment	0.00	0.00	0.00	0.00	0.00		
1995	1995 - Contributions and Grants	0.00	0.00	0.00	0.00	0.00		
1996	1996 - Hydro One S/S Contribution	0.00	0.00	0.00	0.00	0.00		
	<b>Sub-Total</b>	<b>2,588,789.50</b>	<b>1,056,955.97</b>	<b>1,531,833.53</b>	<b>58,300.00</b>	<b>1,560,983.53</b>	<b>125.00</b>	<b>62439.34</b>
<b>General Plant</b>								
1610	1610 - Miscellaneous Intangible Plant	0.00	0.00	0.00	0.00	0.00	0.00	
1808	1808 - Buildings and Fixtures	0.00	0.00	0.00	0.00	0.00		
1905	1905 - Land	7,600.00	0.00	7,600.00	0.00	7,600.00		
1906	1906 - Land Rights	4,232.00	2,432.00	1,800.00	0.00	1,800.00	10.00	180.00
1908	1908 - Buildings and Fixtures	214,579.03	0.00	214,579.03	0.00	214,579.03	50.00	4291.58
1910	1910 - Leasehold Improvements	0.00	0.00	0.00	0.00	0.00		
1915	1915 - Office Furniture and Equipment	48,128.45	13,424.32	34,704.13	18,026.00	43,717.13	10.00	4371.71
1920	1920 - Computer Equipment - Hardware	93,678.45	78,344.89	15,333.56	0.00	15,333.56	5.00	3066.71
1921	1921 - Hardware post Mar 22/04 + Hardware post Mar 19/07	0.00	0.00	0.00	10,000.00	5,000.00	5.00	1000.00
1925	1925 - Computer Software	115,957.33	54,982.26	60,975.07	25,000.00	73,475.07	5.00	14695.01
1930	1930 - Transportation Equipment	486,434.62	441,136.22	45,298.40	12,500.00	51,548.40	5.00	10309.68
1935	1935 - Stores Equipment	1,854.52	0.00	1,854.52	0.00	1,854.52	10.00	185.45
1940	1940 - Tools, Shop and Garage Equipment	96,771.00	82,807.94	13,963.06	2,000.00	14,963.06	10.00	1496.31
1945	1945 - Measurement and Testing Equipment	0.00	0.00	0.00	0.00	0.00		
1950	1950 - Power Operated Equipment	0.00	0.00	0.00	0.00	0.00		
1955	1955 - Communication Equipment	3,546.04	0.00	3,546.04	0.00	3,546.04	10.00	354.60
1960	1960 - Miscellaneous Equipment	0.00	0.00	0.00	0.00	0.00		
	<b>Sub-Total</b>	<b>1,072,781.44</b>	<b>673,127.63</b>	<b>399,653.81</b>	<b>67,526.00</b>	<b>433,416.81</b>	<b>120.00</b>	<b>39951.06</b>
<b>Other Plant</b>								
1855	1855 - Services	9,765.96	0.00	9,765.96	1,000.00	10,265.96	25.00	410.64
1861	1861 - Smart Meters	0.00	0.00	0.00	0.00	0.00	15.00	-
1860	1860 - Meters	138,374.00	0.00	138,374.00	0.00	138,374.00	25.00	5,534.96
1990	1990 - Other Tangible Property	0.00	0.00	0.00	0.00	0.00	0.00	-
	<b>Sub-Total</b>	<b>148,139.96</b>	<b>0.00</b>	<b>148,139.96</b>	<b>1,000.00</b>	<b>148,639.96</b>	<b>65.00</b>	<b>5,945.60</b>
	<b>TOTAL</b>	<b>3,809,710.90</b>	<b>1,730,083.60</b>	<b>2,079,627.30</b>	<b>126,826.00</b>	<b>2,143,040.30</b>	<b>310.00</b>	<b>108,336.00</b>

NOTE: Accounts 1806, 1610 and 1990 are not included  
However, since their closing balance costs in th

## Appendix F - Net Capital

**Hearst Power Distribution Company Limited (ED-1999-0292)**

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

**B3 Net Capital Asset Balances***Review projected capital asset account balances (no input on this sheet)*

Account Description	2006 EDR Approved - Ending Balances			2006 Actual - Ending Balances		
	Gross Assets	Accumulated Amortization	Net Book Value	Gross Assets	Accumulated Amortization	Net Book Value
1830-Poles, Towers and Fixtures	13,007		13,007	26,712	-2,040	24,672
1835-Overhead Conductors and Devices	1,520,684	-1,027,689	492,995	1,567,230	-1,124,069	443,161
1840-Underground Conduit	3,087		3,087	4,385	-390	3,996
1845-Underground Conductors and Devices	414,573	-282,504	132,069	420,217	-317,227	102,990
1850-Line Transformers	508,705	-412,438	96,268	527,062	-434,497	92,565
1855-Services	5,461		5,461	8,822	-712	8,110
1860-Meters	320,900	-219,643	101,257	356,064	-244,450	111,615
1905-Land	7,600		7,600	7,600		7,600
1906-Land Rights	2,432	-1,396	1,036	4,232	-2,409	1,823
1908-Buildings and Fixtures	185,770	-60,058	125,712	201,570	-70,058	131,512
1915-Office Furniture and Equipment	30,471	-18,232	12,239	42,163	-24,682	17,481
1920-Computer Equipment - Hardware	77,301	-66,330	10,971	79,522	-79,691	-169
1925-Computer Software	49,669	-23,730	25,939	54,982	-50,956	4,026
1930-Transportation Equipment	441,136	-435,250	5,886	441,136	-449,517	-8,381
1935-Stores Equipment	1,855	-1,855	0	1,855	-2,318	-464
1940-Tools, Shop and Garage Equipment	83,808	-72,898	10,910	90,920	-80,993	9,927
1955-Communication Equipment				3,546	-532	3,014
<b>TOTAL</b>	<b>3,666,459</b>	<b>-2,622,024</b>	<b>1,044,436</b>	<b>3,838,017</b>	<b>-2,884,540</b>	<b>953,478</b>

**Hearst Power Distribution Company**  
**2010 EDR Application (EB-2009-0266) version:**  
**September 15, 2010**

**B3 Net Capital Asset Balances**

*Review projected capital asset account bal*

Account Description	2007 Actual - Ending Balances			2008 Actual - Ending Balances		
	Gross Assets	Accumulated Amortization	Net Book Value	Gross Assets	Accumulated Amortization	Net Book Value
1830-Poles, Towers and Fixtures	28,003	-3,134	24,869	30,628	-4,307	26,321
1835-Overhead Conductors and Devices	1,569,727	-1,161,601	408,126	1,579,625	-1,199,382	380,243
1840-Underground Conduit	5,158	-580	4,578	5,873	-801	5,072
1845-Underground Conductors and Devices	420,217	-331,262	88,955	423,390	-345,361	78,029
1850-Line Transformers	538,186	-443,829	94,357	542,572	-453,470	89,101
1855-Services	9,562	-1,080	8,482	9,766	-1,466	8,300
1860-Meters	357,564	-253,343	104,221	358,622	-262,287	96,335
1905-Land	7,600		7,600	7,600		7,600
1906-Land Rights	4,232	-2,832	1,400	4,232	-3,255	977
1908-Buildings and Fixtures	201,570	-74,089	127,481	201,570	-78,120	123,450
1915-Office Furniture and Equipment	42,163	-27,556	14,607	42,163	-30,430	11,733
1920-Computer Equipment - Hardware	79,522	-81,229	-1,707	93,678	-83,089	10,590
1925-Computer Software	54,982	-59,153	-4,171	115,957	-66,313	49,644
1930-Transportation Equipment	471,963	-452,600	19,363	486,435	-460,212	26,223
1935-Stores Equipment	1,855	-2,504	-649	1,855	-2,689	-835
1940-Tools, Shop and Garage Equipment	93,949	-83,682	10,267	96,771	-85,363	11,408
1955-Communication Equipment	3,546	-887	2,660	3,546	-1,241	2,306
<b>TOTAL</b>	<b>3,889,798</b>	<b>-2,979,359</b>	<b>910,438</b>	<b>4,004,282</b>	<b>-3,077,785</b>	<b>926,497</b>

**Hearst Power Distribution Company**  
**2010 EDR Application (EB-2009-0266) version:**  
**September 15, 2010**

**B3 Net Capital Asset Balances**

Amounts from sheets B1 and B2

Review projected capital asset account bal

Account Description	2009 Projection - Ending Balances			2010 Projection - Ending Balances		
	Gross Assets	Accumulated Amortization	Net Book Value	Gross Assets	Accumulated Amortization	Net Book Value
1830-Poles, Towers and Fixtures	32,597	-5,571	27,026	42,597	-7,075	35,522
1835-Overhead Conductors and Devices	1,581,980	-1,236,845	345,135	1,600,480	-1,272,963	327,517
1840-Underground Conduit	5,873	-1,036	4,837	5,873	-1,271	4,602
1845-Underground Conductors and Devices	423,390	-359,523	63,867	436,690	-373,951	62,739
1850-Line Transformers	544,950	-463,247	81,702	561,450	-473,402	88,048
1855-Services	9,766	-1,857	7,909	10,766	-2,267	8,499
1860-Meters	138,374	-86,537	51,837	138,374	-92,072	46,302
1905-Land	7,600		7,600	7,600		7,600
1906-Land Rights	4,232	-3,678	554	4,232	-3,858	374
1908-Buildings and Fixtures	214,579	-82,282	132,297	214,579	-86,573	128,006
1915-Office Furniture and Equipment	48,128	-33,602	14,526	66,154	-37,973	28,180
1920-Computer Equipment - Hardware	93,678	-86,365	7,314	103,678	-90,431	13,247
1925-Computer Software	115,957	-78,508	37,449	140,957	-93,203	47,754
1930-Transportation Equipment	486,435	-469,272	17,163	498,935	-479,581	19,353
1935-Stores Equipment	1,855	-2,875	-1,020	1,855	-3,060	-1,205
1940-Tools, Shop and Garage Equipment	96,771	-86,759	10,012	98,771	-88,256	10,515
1955-Communication Equipment	3,546	-1,595	1,952	3,546	-1,949	1,597
<b>TOTAL</b>	<b>3,809,709</b>	<b>-2,999,550</b>	<b>810,159</b>	<b>3,936,535</b>	<b>-3,107,886</b>	<b>828,649</b>

## Appendix G - Revenue Requirement

# Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

## F1 Distribution Revenue Requirement

*Enter adjustments for non-recurring items in 2010 to be addressed via rate adder*

	2010 Projection	Non-recurring items (Total)	2010 Normalized	Comment
OM&A Expenses <i>from sheet D1</i>	923,677		923,677	
3850-Amortization Expense <i>from sheet E2</i>	108,336		108,336	
Total Distribution Expenses	1,032,013		1,032,013	
Regulated Return On Capital <i>from sheet D3</i>	145,674		145,674	
PILs (with gross-up) <i>from sheet E4</i>	4,064		4,064	
<b>Service Revenue Requirement</b>	<b>1,181,751</b>		<b>1,181,751</b>	
Less: Revenue Offsets <i>from sheet C9</i>	68,907		68,907	
<b>Base Revenue Requirement</b>	<b>1,112,844</b>		<b>1,112,844</b>	

## Appendix H - Working Capital Allowance



## Working Capital Allowance

	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2009 Projection	2010 Projection
Working Capital Allowance (see below)						1,173,406
<b>Expenses for Working Capital</b>						
<u>Eligible Distribution Expenses:</u>						
3500-Distribution Expenses - Operation	75,222	68,413	77,921	77,447	88,075	95,218
3550-Distribution Expenses - Maintenance	204,262	242,519	245,902	282,332	274,809	284,565
3650-Billing and Collecting	123,003	147,733	166,974	174,112	212,110	230,079
3700-Community Relations	30,540	4,029	3,685	2,619	3,850	5,000
3800-Administrative and General Expenses	205,042	178,765	172,602	159,514	223,795	308,815
3950-Taxes Other Than Income Taxes						
Total Eligible Distribution Expenses	638,069	641,459	667,083	696,024	802,639	923,677
3350-Power Supply Expenses	7,511,429	7,956,376	7,757,123	6,249,357	6,877,964	6,899,032
Total Expenses for Working Capital	8,149,498	8,597,835	8,424,206	6,945,381	7,680,602	7,822,709
Working Capital factor						15.0%
<b>Working Capital Allowance</b>						<b>1,173,406</b>

## Appendix I - Weighted Avg. Commodity Price

## ELECTRICITY PRICE FORECAST

*per OEB RPP Price Report, 15-Oct-2010*

	<b>\$/MWh</b>	<b>\$/kWh</b>
HOEP Forecast <sup>1</sup>	\$39.23	\$0.03923
Global Adjustment <sup>2</sup>	\$26.38	\$0.02638
Forecast for non-RPP load	\$65.61	\$0.06561
Forecast for RPP load <sup>2</sup>	\$68.38	\$0.06838

<sup>1</sup> Page 5, Table 1

<sup>2</sup> Page (iii), Table ES-1

### **2009 Actual kWh's**

	<b>MUSH</b>	<b>RPP</b>	<b>Non-RPP</b>	<b>TOTAL</b>
Residential		24,832,515	1,887,351	26,719,866
GS<50kW		11,303,372	942,521	12,245,893
GS>50kW	3,889,560	3,768,802	10,468,024	14,236,826
Intermediate Users		20,110,397		20,110,397
Sentinel Lights		26,687		26,687
<b>TOTAL</b>	<b>4,400,904</b>	<b>60,531,959</b>	<b>13,297,896</b>	<b>78,230,759</b>
	5.6%	77.4%	17.0%	100.0%

	<b>% share</b>	<b>\$/kWh</b>
MUSH	5.6%	\$0.06561
RPP	77.4%	\$0.06838
Non-RPP	17.0%	\$0.06561
<b>WEIGHTED AVERAGE PRICE</b>	<b>100.0%</b>	<b>\$0.06775</b>

## Appendix J - Calculation of Retail Transmission Service Rates

**IESO**

**TRANS. NETWORKS**

MONTH	Volume	ACTUAL RATE	IESO Network Service Charge
Jun-07	7557.00	3.22	24333.54
Jul-07	7246.00	3.22	23332.12
Aug-07	7000.00	3.22	22540
Sep-07	7209.00	3.22	23212.98
Oct-07	6721.00	3.22	21641.62
Nov-07	6571.00	3.22	21158.62
Dec-07	4466.00	3.22	14380.52
Jan-08	4714.00	3.22	15179.08
Feb-08	4373.00	3.22	14081.06
Mar-08	4514.00	3.22	14535.08
Apr-08	3992.00	3.22	12854.24
May-08	3891.00	3.22	12529.02
Jun-08	3754.00	3.22	12087.88
Jul-08	3583.00	3.22	11537.26
Aug-08	3959.00	3.22	12747.98
Sep-08	3796.00	3.22	12223.12
Oct-08	3783.00	3.22	12181.26
Nov-08	4487.00	3.22	14448.14
Dec-08	4338.00	3.22	13968.36
Jan-09	4237.00	3.22	13643.14
Feb-09	4430.00	3.22	14264.6
Mar-09	3786.00	3.22	12190.92
Apr-09	3465.00	3.22	11157.3
May-09	4213.00	3.22	13565.86
Jun-09	3664.00	3.22	11798.08
Jul-09	3234.00	3.22	10413.48
Aug-09	3804.00	3.22	12248.88
Sep-09	3508.00	3.22	11295.76
Oct-09	3553.00	3.22	11440.66
Nov-09	3371.00	3.22	10854.62
Dec-09	3564.00	3.22	11476.08
	140,783		\$ 453,321.26

**TRANS. CONNECTION**

MONTH	Volume	ACTUAL RATE	IESO Line Connection Service Charge
Jun-07	7850.00	1.77	13894.5
Jul-07	7764.00	1.77	13742.28
Aug-07	7632.00	1.77	13508.64
Sep-07	7721.00	1.77	13666.17
Oct-07	7907.00	1.77	13995.39
Nov-07	7730.00	1.77	13682.1
Dec-07	5254.00	1.77	9299.58
Jan-08	5339.00	1.77	9450.03
Feb-08	5145.00	1.77	9106.65
Mar-08	4907.00	1.77	8685.39
Apr-08	4693.00	1.77	8306.61
May-08	4560.00	1.77	8071.2
Jun-08	4293.00	1.77	7598.61
Jul-08	4095.00	1.77	7248.15
Aug-08	4334.00	1.77	7671.18
Sep-08	4458.00	1.77	7890.66
Oct-08	4451.00	1.77	7878.27
Nov-08	4605.00	1.77	8150.85
Dec-08	5104.00	1.77	9034.08
Jan-09	4985.00	1.77	8823.45
Feb-09	5024.00	1.77	8892.48
Mar-09	4204.00	1.77	7441.08
Apr-09	4077.00	1.77	7216.29
May-09	4391.00	1.77	7772.07
Jun-09	4311.00	1.77	7630.47
Jul-09	3805.00	1.77	6734.85
Aug-09	4085.00	1.77	7230.45
Sep-09	4127.00	1.77	7304.79
Oct-09	4180.00	1.77	7398.6
Nov-09	3966.00	1.77	7019.82
Dec-09	3959.00	1.77	7007.43
	158,956		\$ 281,352.12

**line. CONNECTION**

MONTH	Volume	ACTUAL RATE	IESO Line Connection Service Charge
Jun-07	7850.00	0.79	6201.5
Jul-07	7764.00	0.79	6133.56
Aug-07	7632.00	0.79	6029.28
Sep-07	7721.00	0.79	6099.59
Oct-07	7907.00	0.79	6246.53
Nov-07	7730.00	0.79	6106.7
Dec-07	5254.00	0.79	4150.66
Jan-08	5339.00	0.79	4217.81
Feb-08	5145.00	0.79	4064.55
Mar-08	4907.00	0.79	3876.53
Apr-08	4693.00	0.79	3707.47
May-08	4560.00	0.79	3602.4
Jun-08	4293.00	0.79	3391.47
Jul-08	4095.00	0.79	3235.05
Aug-08	4334.00	0.79	3423.86
Sep-08	4458.00	0.79	3521.82
Oct-08	4451.00	0.79	3516.29
Nov-08	4605.00	0.79	3637.95
Dec-08	5104.00	0.79	4032.16
Jan-09	4985.00	0.79	3938.15
Feb-09	5024.00	0.79	3968.96
Mar-09	4204.00	0.79	3321.16
Apr-09	4077.00	0.79	3220.83
May-09	4391.00	0.79	3468.89
Jun-09	4311.00	0.79	3405.69
Jul-09	3805.00	0.79	3005.95
Aug-09	4085.00	0.79	3227.15
Sep-09	4127.00	0.79	3260.33
Oct-09	4180.00	0.79	3302.2
Nov-09	3966.00	0.79	3133.14
Dec-09	3959.00	0.79	3127.61
	158,956		\$ 125,575.24

**HYDRO ONE**

**TRANS. NETWORKS**

**TRANS. CONNECTION**

MONTH	Volume	ACTUAL RATE	H1 CURRENT Network Service Charge	MONTH	Volume	ACTUAL RATE	H1 Line Connection Service Charge
Jun-07	9069.00	\$ 2.65	\$ 24,032.85	Jun-07	9069.00	\$ 2.14	19,407.66
Jul-07	8735.00	\$ 2.65	\$ 23,147.75	Jul-07	8735.00	\$ 2.14	18,692.90
Aug-07	8516.00	\$ 2.65	\$ 22,567.40	Aug-07	8516.00	\$ 2.14	18,224.24
Sep-07	8672.00	\$ 2.65	\$ 22,980.80	Sep-07	8672.00	\$ 2.14	18,558.08
Oct-07	9042.00	\$ 2.65	\$ 23,961.30	Oct-07	9352.00	\$ 2.14	20,013.28
Nov-07	12179.00	\$ 2.65	\$ 32,274.35	Nov-07	12179.00	\$ 2.14	26,063.06
Dec-07	12538.00	\$ 2.65	\$ 33,225.70	Dec-07	12538.00	\$ 2.14	26,831.32
Jan-08	12273.00	\$ 2.65	\$ 32,523.45	Jan-08	12273.00	\$ 2.14	26,264.22
Feb-08	11682.00	\$ 2.65	\$ 30,957.30	Feb-08	11878.00	\$ 2.14	25,418.92
Mar-08	10559.00	\$ 2.65	\$ 27,981.35	Mar-08	11061.00	\$ 2.14	23,670.54
Apr-08	9608.00	\$ 2.65	\$ 25,461.20	Apr-08	9608.00	\$ 2.14	20,561.12
May-08	9023.00	\$ 2.65	\$ 23,910.95	May-08	9023.00	\$ 2.14	19,309.22
Jun-08	8326.00	\$ 2.65	\$ 22,063.90	Jun-08	8326.00	\$ 2.14	17,817.64
Jul-08	7806.00	\$ 2.65	\$ 20,685.90	Jul-08	7806.00	\$ 2.14	16,704.84
Aug-08	8735.00	\$ 2.65	\$ 23,147.75	Aug-08	8735.00	\$ 2.14	18,692.90
Sep-08	8248.00	\$ 2.65	\$ 21,857.20	Sep-08	8248.00	\$ 2.14	17,650.72
Oct-08	9337.00	\$ 2.65	\$ 24,743.05	Oct-08	9547.00	\$ 2.14	20,430.58
Nov-08	11364.00	\$ 2.65	\$ 30,114.60	Nov-08	11364.00	\$ 2.14	24,318.96
Dec-08	12741.00	\$ 2.65	\$ 33,763.65	Dec-08	12741.00	\$ 2.14	27,265.74
Jan-09	13073.00	\$ 2.65	\$ 34,643.45	Jan-09	13073.00	\$ 2.14	27,976.22
Feb-09	11637.00	\$ 2.65	\$ 30,838.05	Feb-09	11685.00	\$ 2.14	25,005.90
Mar-09	9017.00	\$ 2.65	\$ 23,895.05	Mar-09	9271.00	\$ 2.14	19,839.94
Apr-09	7662.00	\$ 2.65	\$ 20,304.30	Apr-09	7662.00	\$ 2.14	16,396.68
May-09	8297.00	\$ 2.65	\$ 21,987.05	May-09	8297.00	\$ 2.14	17,755.58
Jun-09	8425.00	\$ 2.65	\$ 22,326.25	Jun-09	8425.00	\$ 2.14	18,029.50
Jul-09	5823.00	\$ 2.65	\$ 15,430.95	Jul-09	5823.00	\$ 2.14	12,461.22
Aug-09	7742.00	\$ 2.65	\$ 20,516.30	Aug-09	7742.00	\$ 2.14	16,567.88
Sep-09	8314.00	\$ 2.65	\$ 22,032.10	Sep-09	8314.00	\$ 2.14	17,791.96
Oct-09	8960.00	\$ 2.65	\$ 23,744.00	Oct-09	8998.00	\$ 2.14	19,255.72
Nov-09	9450.00	\$ 2.65	\$ 25,042.50	Nov-09	9450.00	\$ 2.14	20,223.00
Dec-09	9962.00	\$ 2.65	\$ 26,399.30	Dec-09	9962.00	\$ 2.14	21,318.68
	<b>296,815</b>		<b>\$ 786,559.75</b>		<b>298,373</b>		<b>\$ 638,518.22</b>

**BILLED TO Hearst CUSTOMERS**

MONTH	total tn BILLED at current rates	total tc BILLED at current rates	Adjustments	Network	Connection
Jun-07	37,587.41	42,269.17			
Jul-07	36,441.76	40,976.51	Supply cost	\$1,239,881	\$1,045,446
Aug-07	35,564.76	39,990.88	Billing Revenues	\$1,046,498	\$1,175,655
Sep-07	36,262.68	40,788.21	Ratio	1.185	0.889
Oct-07	34,978.04	39,335.29			
Nov-07	37,844.28	42,571.38			
Dec-07	41,130.80	46,283.33			
Jan-08	36,292.47	40,737.06			
Feb-08	43,067.93	48,422.11			
Mar-08	39,088.95	43,903.46			
Apr-08	37,325.78	41,925.95			
May-08	33,129.98	37,173.32			
Jun-08	32,713.14	36,731.67			
Jul-08	28,910.02	32,415.43			
Aug-08	29,464.00	33,086.61			
Sep-08	28,186.74	31,641.85			
Oct-08	29,287.98	32,857.82			
Nov-08	31,623.53	35,503.20			
Dec-08	33,434.03	37,535.87			
Jan-09	38,652.83	43,436.27			
Feb-09	42,051.48	47,281.65			
Mar-09	39,487.19	44,394.33			
Apr-09	33,136.79	37,229.26			
May-09	28,576.31	32,115.74			
Jun-09	29,113.34	32,674.12			
Jul-09	28,774.92	32,298.18			
Aug-09	27,436.03	30,816.09			
Sep-09	27,837.95	31,246.25			
Oct-09	28,728.15	32,227.05			
Nov-09	30,247.00	33,961.75			
Dec-09	30,121.40	33,824.73			
	<b>\$ 1,046,497.67</b>	<b>\$ 1,175,654.55</b>			

	TN	TC	
Residential	\$ 0.0052	\$ 0.0044	kWh
GS < 50kW	\$ 0.0047	\$ 0.0040	kWh
GS 50 to 4999 kW	\$ 1.9563	\$ 1.5861	kWh
Intermediate	\$ 2.1880	\$ 1.8708	
Sent Light	\$ 1.4829	\$ 1.2518	kWh
Street Lights	\$ 1.4753	\$ 1.2263	kWh
Street Lights	\$ 1.4753	\$ 1.2263	KW

Appendix K- Pass-Through Charges – revised  
average RPP rates

**C2 Pass-through Charges**

Volumes from sheet C1, Account #s from sheet Y4

<b>Electricity (Commodity)</b>		2009 rate (\$/kWh): <b>\$0.067750</b>		2010 rate (\$/kWh): <b>\$0.067750</b>		
Customer Class Name	Volume	Amount	Volume	Amount	Amount	
kWh Residential	27,948,974	1,893,543	27,852,221		1,886,988	
kWh GS<50kW	11,955,667	809,996	12,976,189		879,137	
kWh GS>50kW	18,960,200	1,284,554	19,897,945		1,348,086	
kWh Intermediate Users	21,035,475	1,425,153	19,353,465		1,311,197	
kWh Sentinel Lights	27,915	1,891	24,627		1,668	
kWh Street Lights	1,047,600	70,975	1,052,302		71,293	
<b>TOTAL</b>	<b>80,975,831</b>	<b>5,486,113</b>	<b>81,156,750</b>		<b>5,498,370</b>	
<b>Transmission - Network</b>		2009		2010		
Customer Class Name	Volume	Rate	Amount	Volume	Rate	Amount
kWh Residential	27,948,974	\$0.0044	122,975	27,852,221	\$0.0052	144,832
kWh GS<50kW	11,955,667	\$0.0040	47,823	12,976,189	\$0.0047	60,988
kWh GS>50kW	50,670	\$1.6512	83,666	53,176	\$1.9563	104,028
kWh Intermediate Users	65,897	\$1.8467	121,692	59,721	\$2.1880	130,669
kWh Sentinel Lights	99	\$1.2516	124	72	\$1.4829	107
kWh Street Lights	3,071	\$1.2452	3,824	3,084	\$1.4753	4,550
<b>TOTAL</b>	<b>40,024,378</b>		<b>380,104</b>	<b>40,944,463</b>		<b>445,174</b>
<b>Transmission - Connection</b>		2009		2010		
Customer Class Name	Volume	Rate	Amount	Volume	Rate	Amount
kWh Residential	27,948,974	\$0.0050	139,745	27,852,221	\$0.0044	122,550
kWh GS<50kW	11,955,667	\$0.0045	53,801	12,976,189	\$0.0040	51,905
kWh GS>50kW	50,670	\$1.7837	90,380	53,176	\$1.5861	84,343
kWh Intermediate Users	65,897	\$2.1038	138,634	59,721	\$1.8708	111,726
kWh Sentinel Lights	99	\$1.4077	139	72	\$1.2518	90
kWh Street Lights	3,071	\$1.3790	4,235	3,084	\$1.2263	3,782
<b>TOTAL</b>	<b>40,024,378</b>		<b>426,934</b>	<b>40,944,463</b>		<b>374,395</b>
<b>Wholesale Market Service</b>		2009 rate (\$/kWh): <b>\$0.00520</b>		2010 rate (\$/kWh): <b>\$0.00520</b>		
Customer Class Name	Volume	Amount	Volume	Amount	Amount	
kWh Residential	27,948,974	145,335	27,852,221		144,832	
kWh GS<50kW	11,955,667	62,169	12,976,189		67,476	
kWh GS>50kW	18,960,200	98,593	19,897,945		103,469	
kWh Intermediate Users	21,035,475	109,384	19,353,465		100,638	
kWh Sentinel Lights	27,915	145	24,627		128	
kWh Street Lights	1,047,600	5,448	1,052,302		5,472	
<b>TOTAL</b>	<b>80,975,831</b>	<b>421,074</b>	<b>81,156,750</b>		<b>422,015</b>	
<b>Rural Rate Protection</b>		2009 rate (\$/kWh): <b>\$0.00130</b>		2010 rate (\$/kWh): <b>\$0.00130</b>		
Customer Class Name	Volume	Amount	Volume	Amount	Amount	
kWh Residential	27,948,974	36,334	27,852,221		36,208	
kWh GS<50kW	11,955,667	15,542	12,976,189		16,869	
kWh GS>50kW	18,960,200	24,648	19,897,945		25,867	
kWh Intermediate Users	21,035,475	27,346	19,353,465		25,160	
kWh Sentinel Lights	27,915	36	24,627		32	
kWh Street Lights	1,047,600	1,362	1,052,302		1,368	
<b>TOTAL</b>	<b>80,975,831</b>	<b>105,269</b>	<b>81,156,750</b>		<b>105,504</b>	
<b>Debt Retirement Charge</b>		2009 rate (\$/kWh): <b>\$0.00610</b>		2010 rate (\$/kWh): <b>\$0.00610</b>		
Customer Class Name	Volume	Amount	Volume	Amount	Amount	
<b>TOTAL</b>						
<b>Low Voltage Charges</b>		2009		2010		
Customer Class Name	Volume	Amount	Volume	Amount	Amount	
<b>TOTAL (Input amount)</b>		<b>58,470</b>		<b>53,574</b>	<b>53,574</b>	
<b>GRAND TOTAL</b>			<b>6,877,964</b>		<b>6,899,032</b>	



## Appendix L - Calculation of Loss Revenue Rate Rider

# Foregone Revenue Rate Rider

To allow the annual revenue requirement to be realized over 2 months, a rate rider equivalent to 1/13 of the difference between the new core rate and the existing rate will apply until April 30, 2012

Monthly Service Charge	New Rate (1)	Existing Rate (2)			Difference/ month	2 months	Rate Rider
Residential	9.00	7.42			1.58	3.16	0.24
General Service Less Than 50 kW	19.50	4.97			14.53	29.06	2.24
General Service 50 to 1499 kW	66.00	29.41			36.59	73.18	5.63
Intermediate	220.00	57.09			162.91	325.82	25.06
Sentinel Lights	7.00	3.98			3.02	6.04	0.46
Street Lighting	5.50	0.99			4.51	9.02	0.69

Distribution Volumetric Rate *	New Rate (1)	Existing Rate (2)	Existing LV rates (3)	Rates Net of current LV rates	Difference/ month	2 months	Rate Rider
Residential	0.0163	0.0102	0.0007	0.0095	0.0068	0.0136	0.0010
General Service Less Than 50 kW	0.0072	0.0097	0.0006	0.0091	-0.0019	-0.0038	-0.0003
General Service 50 to 1499 kW	3.0215	2.9926	0.2492	2.7434	0.2781	0.5562	0.0428
Intermediate	1.2754	0.8703	0.2986	0.5717	0.7037	1.4074	0.1083
Sentinel Lights	3.2569	1.8938	0.1882	1.7056	1.5513	3.1026	0.2387
Street Lighting	1.7782	1.2912	0.1906	1.1006	0.6776	1.3552	0.1042

(1) New Rates = From F7 Final Rates (Exclude LV charge)

(2) Existing Rates = From C3.DistRates

(3) Existing LV rates = 2006 EDR model. Sheet 8-2 Low Voltage / Wheeling Adjustments

## Appendix M - Results from Cost Allocation

- Revenue Allocation
  - Rate Design
- Reconciliation of Rates with Revenue / Recovery Requirement

# Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 15, 2010

## F3 Cost Allocation

Enter selected amounts from sheets 'O1' and 'O2' of Cost Allocation model

Customer Class Name	REVENUE ALLOCATION (sheet O1)				Base Revenue Requirement *	%	Revenue to Expenses %
	Service Revenue Requirement	%	Miscellaneous Revenue (mi)	%			
Residential	726,258	61.46%	45,166	65.55%	681,092	61.20%	99.79%
GS<50kW	186,494	15.78%	13,725	19.92%	172,769	15.52%	115.32%
GS>50kW	76,770	6.50%	6,295	9.14%	70,475	6.33%	288.87%
Intermediate Users	55,250	4.68%	1,773	2.57%	53,477	4.81%	-6.96%
Sentinel Lights	1,568	0.13%	36	0.05%	1,532	0.14%	58.84%
Street Lights	135,412	11.46%	1,911	2.77%	133,501	12.00%	17.07%
TOTAL (from Column C of sheet O1)	1,181,752	100.00%	68,906	100.00%	1,112,846	100.00%	100.00%
	OK	OK	OK	OK	OK	OK	

\* Service Revenue Requirement less Miscellaneous Revenue

Customer Class Name	CUSTOMER UNIT COST PER MONTH (sheet O2)				
	Avoided Costs (Minimum Charge)	Directly Related	Minimum System with PLCC *	Existing Fixed Rate	Maximum Charge **
Residential	\$5.40	\$8.35	\$17.85	\$7.42	\$17.85
GS<50kW	\$11.07	\$17.16	\$24.75	\$4.97	\$24.75
GS>50kW	\$41.74	\$66.30	\$65.41	\$29.41	\$66.30
Intermediate Users	\$151.88	\$230.49	\$228.38	\$57.09	\$230.49
Sentinel Lights	\$0.25	\$0.41	\$11.54	\$3.98	\$11.54
Street Lights	\$0.01	\$0.01	\$12.06	\$0.99	\$12.06

\* PLCC = 'Peak Load Carrying Capability'

\*\* Greater of 'Directly Related', 'Minimum System with PLCC adjustment', and Existing Fixed Rate

## F4 Revenue Requirement Allocation

Customer Class Name	Outstanding Base Revenue Requirement %			Outstanding Base Revenue Requirement \$ <sup>3</sup>			Directly Assigned Revenues <sup>3</sup>	Total Base Revenue Requirement
	Cost Allocation <sup>1</sup>	Existing Rates <sup>2</sup>	Rate Application	Cost Allocation	Existing Rates	Rate Application		
Residential	61.20%	55.36%	59.90%	681,091	616,030	666,566		666,566
GS<50kW	15.52%	16.62%	15.52%	172,769	185,000	172,769		172,769
GS>50kW	6.33%	19.97%	14.76%	70,475	222,208	164,226		164,226
Intermediate Users	4.81%	6.25%	3.81%	53,477	69,582	42,427		42,427
Sentinel Lights	0.14%	0.07%	0.10%	1,532	791	1,062		1,062
Street Lights	12.00%	1.73%	5.91%	133,501	19,234	65,795		65,795
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>1,112,844</b>	<b>1,112,844</b>	<b>1,112,844</b>		<b>1,112,844</b>

OK

<sup>1</sup> from sheet F3

<sup>2</sup> from sheet C4

<sup>3</sup> from sheet F2

Customer Class Name	Total Base Revenue Requirement	Transformer Allowance Recovery <sup>4</sup>	Low Voltage Revenue Required <sup>5</sup>	Gross Base Revenue Requirement
Residential	666,566		17,536	684,102
GS<50kW	172,769		7,427	180,196
GS>50kW	164,226	14,474	12,069	190,769
Intermediate Users	42,427	25,673	15,987	84,087
Sentinel Lights	1,062		13	1,074
Street Lights	65,795		541	66,336
<b>TOTAL</b>	<b>1,112,844</b>	<b>40,147</b>	<b>53,574</b>	<b>1,206,565</b>

OK

<sup>4</sup> Volume per sheet C4: total allocations must match total amount of allowances

<sup>5</sup> allocated per table below:

### 2010 Transformer Allowances

	Volume <sup>4</sup>	Rate	Amount
kW:	89,216	(\$0.4500)	-40,147

## F4 Revenue Requirement Allocation

Customer Class Name	Test Year Revenues <sup>6</sup> Transmission - Connection	Class Share	Low Voltage Charges <sup>7</sup>	Volume (kWh or kW)	Low Voltage Rate	per
Residential	122,550	32.7%	17,536	26,627,362	\$0.0007	kWh
GS<50kW	51,905	13.9%	7,427	12,405,535	\$0.0006	kWh
GS>50kW	84,343	22.5%	12,069	53,176	\$0.2270	kW
Intermediate Users	111,726	29.8%	15,987	59,721	\$0.2677	kW
Sentinel Lights	90	0.0%	13	72	\$0.1791	kW
Street Lights	3,782	1.0%	541	3,084	\$0.1755	kW
<b>TOTAL</b>	<b>374,395</b>	<b>100.0%</b>	<b>53,574</b>			

OK

<sup>6</sup> charge type per sheet Y4; amounts per sheet C2:

<sup>7</sup> Total per sheet C2; allocated to customer classes based on Class Share

Customer Class Name	Service Revenue Requirement			Previous Revenue to Cost Ratio <sup>9</sup>	Variance	Target Range	
	Rate Application <sup>8</sup>	Cost Allocation <sup>8</sup>	Revenue to Cost Ratio			Floor	Ceiling
Residential	711,732	726,257	0.98	1.00	-0.02	0.85	1.15
GS<50kW	186,494	186,494	1.00	1.15	-0.15	0.80	1.20
GS>50kW	170,521	76,770	2.22	2.89	-0.67	0.80	1.80
Intermediate Users	44,200	55,250	0.80	-0.07	0.87	0.80	1.80
Sentinel Lights	1,098	1,568	0.70	0.59	0.11	0.70	1.20
Street Lights	67,706	135,412	0.50	0.17	0.33	0.70	1.20
<b>TOTAL</b>	<b>1,181,750</b>	<b>1,181,750</b>	<b>1.00</b>	<b>1.00</b>			

<sup>8</sup> Base Revenue Requirement (per first table above), plus Miscellaneous Revenues (per sheet F3)

<sup>9</sup> from sheet F3

## F5 Fixed/Variable Rate Design

Customer Class Name	Existing Rates (1)			Cost Allocation - Minimum Fixed Rate (2)			Cost Allocation - Maximum Fixed Rate (2)		
	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %
Residential	\$7.42	43.22%	56.78%	\$5.40	21.99%	78.01%	\$17.85	72.70%	27.30%
GS<50kW	\$4.97	16.23%	83.77%	\$11.07	28.82%	71.18%	\$24.75	64.44%	35.56%
GS>50kW	\$29.41	7.77%	92.23%	\$41.74	9.98%	90.02%	\$66.30	15.85%	84.15%
Intermediate Users	\$57.09	3.80%	96.20%	\$151.88	6.50%	93.50%	\$230.49	9.87%	90.13%
Sentinel Lights	\$3.98	77.79%	22.21%	\$0.25	2.79%	97.21%	\$11.54	128.88%	-28.88%
Street Lights	\$0.99	73.34%	26.66%	\$0.01	0.17%	99.83%	\$12.06	201.15%	-101.15%

(1) per sheet C4

(2) Rates per sheet F3; %s based on # customers per sheet C1 and revenue requirement allocated to customer class per sheet F4

Customer Class Name	Existing Fixed/Variable Split (3)			Rate Application *			Resulting Usage		(4) Existing Usage Rate
	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %	Rate	per	
Residential	\$10.61	43.22%	56.78%	<b>\$9.00</b>	36.66%	63.34%	<b>\$0.0163</b>	kWh	\$0.0102
GS<50kW	\$6.23	16.23%	83.77%	<b>\$19.50</b>	50.77%	49.23%	<b>\$0.0072</b>	kWh	\$0.0097
GS>50kW	\$32.52	7.77%	92.23%	<b>\$66.00</b>	15.78%	84.22%	<b>\$3.0215</b>	kW	\$2.9926
Intermediate Users	\$88.85	3.80%	96.20%	<b>\$220.00</b>	9.42%	90.58%	<b>\$1.2754</b>	kW	\$0.8703
Sentinel Lights	\$6.97	77.79%	22.21%	<b>\$7.00</b>	78.18%	21.82%	<b>\$3.2569</b>	kW	\$1.8938
Street Lights	\$4.40	73.34%	26.66%	<b>\$5.50</b>	91.73%	8.27%	<b>\$1.7782</b>	kW	\$1.2912

(3) %s per Existing Rates, Rate based on Revenue Requirement allocated to Customer Class per sheet F4 and # customers per sheet C1

(4) per sheet C4

\* See sheet 'FixedVarRevenue' for % splits excluding LV & Transformer Allowance recoveries

**F6 Reconciliation of Rates with Revenue / Recovery Requirements****DISTRIBUTION CHARGES**

Customer Class Name	Fixed Charge			Variable Charge			Gross Revenue from Distribution Charges		
	Rate <sup>1</sup>	Volume <sup>2</sup>	Revenue <sup>3</sup>	Rate <sup>1</sup>	Volume <sup>2</sup>	Revenue <sup>3</sup>	Calculated *	Allocated **	Difference
Residential	\$9.00	27,864	250,776	\$0.0163	26,627,362	434,026	684,802	684,102	700
GS<50kW	\$19.50	4,692	91,494	\$0.0072	12,405,535	89,320	180,814	180,196	618
GS>50kW	\$66.00	456	30,096	\$3.0215	53,176	160,671	190,767	190,769	-2
Intermediate Users	\$220.00	36	7,920	\$1.2754	59,721	76,168	84,088	84,087	1
Sentinel Lights	\$7.00	120	840	\$3.2569	72	235	1,075	1,074	0
Street Lights	\$5.50	11,064	60,852	\$1.7782	3,084	5,484	66,336	66,336	-0
<b>TOTAL</b>			<b>441,978</b>			<b>765,904</b>	<b>1,207,882</b>	<b>1,206,565</b>	<b>1,316</b>

<sup>1</sup> From sheet F5, rounded off to decimals displayed

\* Sum of 'Revenue' columns

<sup>2</sup> Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

\*\* From sheet F4 (Gross Base Revenue Requirement)

<sup>3</sup> Rate x Volume**LOW VOLTAGE**

Customer Class Name	Variable Charge (Credit)			Proceeds from Recovery Charges (Credits)		
	Rate <sup>1</sup>	Volume <sup>2</sup>	Proceeds <sup>3</sup>	Calculated *	Allocated **	Difference
Residential	\$0.0007	26,627,362	18,639	18,639	17,536	1,103
GS<50kW	\$0.0006	12,405,535	7,443	7,443	7,427	16
GS>50kW	\$0.2270	53,176	12,071	12,071	12,069	2
Intermediate Users	\$0.2677	59,721	15,987	15,987	15,987	-0
Sentinel Lights	\$0.1791	72	13	13	13	0
Street Lights	\$0.1755	3,084	541	541	541	0
<b>TOTAL</b>			<b>54,695</b>	<b>54,695</b>	<b>53,574</b>	<b>1,121</b>

<sup>1</sup> From sheet F4, rounded off to decimals displayed

\* = 'Proceeds' column

<sup>2</sup> Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

\*\* From sheet F4 ('Low Voltage Charges')

<sup>3</sup> Rate x Volume



## F6 Reconciliation of Rates with Revenue / Recovery Requirements

### DEFERRAL/VARIANCE ACCOUNT RECOVERY CHARGES (CREDITS)

Customer Class Name	Variable Charge (Credit)			Proceeds from Recovery Charges (Credits)		
	Rate <sup>1</sup>	Volume <sup>2</sup>	Proceeds <sup>3</sup>	Calculated *	Allocated **	Difference
Residential	(\$0.0043)	26,627,362	-114,498	-114,498	-114,798	300
GS<50kW	(\$0.0040)	12,405,535	-49,622	-49,622	-50,115	493
GS>50kW	(\$1.3889)	53,176	-73,856	-73,856	-73,857	0
Intermediate Users	(\$1.2268)	59,721	-73,266	-73,266	-73,267	1
Sentinel Lights	(\$5.5214)	72	-398	-398	-398	0
Street Lights	(\$3.1332)	3,084	-9,663	-9,663	-9,663	-0
<b>TOTAL</b>			<b>-321,302</b>	<b>-321,302</b>	<b>-322,097</b>	<b>795</b>

<sup>1</sup> From sheet C7 ('Proposed Rate Rider'), rounded off to decimals displayed

<sup>2</sup> Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

<sup>3</sup> Rate x Volume

\* = 'Proceeds' column

\*\* From sheet C7 ('Annual Recovery Amounts')

1 Proposed Tariff Sheet

2

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3

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 1

Tab1

Schedule 7

Attachment1

Attachment 1 of 1

Proposed Tariff Sheet

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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

EB-2011-0171

## RESIDENTIAL SERVICE CLASSIFICATION

This classification refers to accounts for customers residing in single dwelling units that consist of a detached house, semi detached, duplex, triplex or quadruplex house, or individually metered apartment building. 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 and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	9.09
Distribution Volumetric Rate	\$/kWh	0.0158
Low Voltage Service Rate	\$/kWh	0.0007
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for LRAM – effective until April 30, 2013	\$/kWh	0.0015
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0043)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	\$/kWh	(0.0024)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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

EB-2011-0171

## 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 and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	19.54
Distribution Volumetric Rate	\$/kWh	0.0066
Low Voltage Service Rate	\$/kWh	0.0006
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for LRAM – effective until April 30, 2013	\$/kWh	0.0004
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kWh	(0.0040)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	\$/kWh	(0.0024)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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

EB-2011-0171

## GENERAL SERVICE 50 to 1,499 kW SERVICE CLASSIFICATION

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 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 and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	54.18
Distribution Volumetric Rate	\$/kW	2.2941
Low Voltage Service Rate	\$/kW	0.2270
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2011 Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for LRAM – effective until April 30, 2013	\$/kW	0.1186
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(1.3889)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	\$/kW	(0.8535)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9983
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5826

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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

EB-2011-0171

## INTERMEDIATE USERS SERVICE CLASSIFICATION

*Note – Classification definition specific for each distributor*

This classification refers to a non residential account whose monthly average peak is equal to or greater than, or is forecast to be equal to or greater than, 3,000 kW but less than 5,000 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 and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	220.40
Distribution Volumetric Rate	\$/kW	1.0095
Low Voltage Service Rate	\$/kW	0.2677
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until April 30, 2013		
Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(1.2268)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	\$/kW	(0.7289)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2350
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8666

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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

EB-2011-0171

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification is a sub-category of the street lighting load. These customers are billed on a fixed load based on the size of bulb. 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 and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	7.01
Distribution Volumetric Rate	\$/kW	3.0833
Low Voltage Service Rate	\$/kW	0.1791
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(5.5214)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	\$/kW	(0.8250)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5147
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2376

### 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



# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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

EB-2011-0171

## STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to roadway lighting within the town, and private roadway lighting operation, controlled by photo cells. The consumption for these customers is based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the 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.

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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 and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	7.78
Distribution Volumetric Rate	\$/kW	2.2665
Low Voltage Service Rate	\$/kW	0.1755
Rate Rider for Global Adjustment Sub-Account Disposition (2012)– effective until April 30, 2013 Applicable only for Non-RPP Customers	\$/kWh	0.0020
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2013	\$/kW	(3.1332)
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until April 30, 2016	\$/kW	(0.7643)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5070
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2124

### 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

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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

EB-2011-0171

## **microFIT GENERATOR SERVICE CLASSIFICATION**

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

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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 and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### **MONTHLY RATES AND CHARGES – Delivery Component – effective September 21, 2009**

Service Charge	\$	5.25
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# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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

EB-2011-0171

## 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 and Infrastructure 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
Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
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	\$	30.00
Disconnect/Reconnect at Meter - during Regular Hours	\$	40.00
Disconnect/Reconnect at Pole - during Regular Hours	\$	time and materials
Install/Remove load control device – during regular hours	\$	40.00
Temporary service install and remove – overhead – no transformer	\$	time and materials
Temporary service install and remove – underground – no transformer	\$	time and materials
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

# Hearst Power Distribution Company Ltd.

## TARIFF OF RATES AND CHARGES

### Effective and Implementation Date May 1, 2012

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

EB-2011-0171

## 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 and Infrastructure 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	1.0460
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0356
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

# 1 Summary of Bill Impacts

2

3 The following is the summary of Bill Impacts for rates effective May 1, 2012.

## Summary Of Bill Impacts

	Delivery Bill Impact %	Total Bill Impact \$'s	Total Bill Impact %
Residential	-13.4%	-4.13	-4.1%
General Service Less Than 50 kW	-16.9%	-8.37	-3.5%
General Service 50 to 1,499 kW	-33.0%	-312.48	-6.6%
Intermediate User	-29.4%	-3,235.37	-5.4%
Sentinel Lighting	-22.0%	-2.18	-8.3%
4 Street Lighting	25.7%	1.92	2.7%

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 1

Tab1

Schedule 8

Attachment1

Attachment 1 of 1

Bill Impacts

Hearst Power Distribution Company Limited - EB-2011-0171

Rate Class

Residential

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	9.00	9.09
Smart Meter Funding Adder	2.50	-
Service Charge Rate Rider(s)	0.54	-
Distribution Volumetric Rate	0.01560	0.01575
Distribution Volumetric Rate Rider(s)	(0.00340)	(0.00556)
Low Voltage Volumetric Rate	0.00070	0.00070
Retail Transmission Rate – Network Service Rate	0.00520	0.00530
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00440	0.00440
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	1.0460	1.0460

<b>Consumption</b>	<b>800</b>	<b>kWh</b>	<b>kW</b>
<b>RPP Tier One</b>	<b>600</b>	<b>kWh</b>	<b>Load Factor</b>

<b>Current Loss Factor</b>	<b>1.0460</b>
<b>Proposed Loss Factor</b>	<b>1.0460</b>

Residential	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	37.33%
Energy Second Tier (kWh)	236.80	0.0790	18.71	236.80	0.0790	18.71	0.00	0.00%	17.12%
<b>Sub-Total: Energy</b>			<b>59.51</b>			<b>59.51</b>	<b>0.00</b>	<b>0.00%</b>	<b>54.45%</b>
Service Charge	1	9.00	9.00	1	9.09	9.09	0.09	0.97%	8.31%
Service Charge Rate Rider(s)	1	3.04	3.04	1	0.00	0.00	-3.04	(100.00)%	0.00%
Distribution Volumetric Rate	800	0.0156	12.48	800	0.0158	12.60	0.12	0.97%	11.53%
Low Voltage Volumetric Rate	800	0.0007	0.56	800	0.0007	0.56	0.00	0.00%	0.51%
Distribution Volumetric Rate Rider(s)	800	(0.0034)	(2.72)	800	(0.0056)	(4.45)	-1.73	63.53%	(4.07)%
<b>Total: Distribution</b>			<b>22.36</b>			<b>17.80</b>	<b>-4.56</b>	<b>(20.40)%</b>	<b>16.29%</b>
Retail Transmission Rate – Network Service Rate	836.80	0.0052	4.35	836.80	0.0053	4.44	0.08	1.92%	4.06%
Retail Transmission Rate – Line and Transformation Connection Service Rate	836.80	0.0044	3.68	836.80	0.0044	3.68	0.00	0.00%	3.37%
<b>Total: Retail Transmission</b>			<b>8.03</b>			<b>8.12</b>	<b>0.08</b>	<b>1.04%</b>	<b>7.43%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>30.39</b>			<b>25.92</b>	<b>-4.48</b>	<b>(14.73)%</b>	<b>23.71%</b>
Wholesale Market Service Rate	836.80	0.0052	4.35	836.80	0.0052	4.35	0.00	0.00%	3.98%
Rural Rate Protection Charge	836.80	0.0013	1.09	836.80	0.0013	1.09	0.00	0.00%	1.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.23%
<b>Sub-Total: Regulatory</b>			<b>5.69</b>			<b>5.69</b>			<b>5.21%</b>
Debt Retirement Charge (DRC)	800.00	0.00700	5.60	800	0.0070	5.60	0.00	0.00%	5.12%
<b>Total Bill before Taxes</b>			<b>101.19</b>			<b>96.71</b>	<b>-4.48</b>	<b>(4.42)%</b>	<b>88.50%</b>
HST		13%	13.15		13%	12.57	-0.58	(4.42)%	11.50%
<b>Total Bill</b>			<b>114.34</b>			<b>109.29</b>	<b>-5.06</b>	<b>(4.42)%</b>	<b>100.00%</b>
Ontario Clean Energy Benefit (OCEB)		(10%)	-11.43		(10%)	-10.93			
<b>Total Bill (less OCEB)</b>			<b>102.91</b>			<b>98.36</b>	<b>(4.55)</b>	<b>(4.42)%</b>	



Ontario Energy Board  
3<sup>RD</sup> Generation Incentive  
Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

**Rate Class**

**General Service Less Than 50 kW**

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	19.50	19.54
Smart Meter Funding Adder	2.50	-
Service Charge Rate Rider(s)	2.78	-
Distribution Volumetric Rate	0.00660	0.00661
Distribution Volumetric Rate Rider(s)	(0.00440)	(0.00217)
Low Voltage Volumetric Rate	0.00060	0.00060
Retail Transmission Rate – Network Service Rate	0.00470	0.00480
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00400	0.00400
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	1.0460	1.0460

<b>Consumption</b>	<b>2,000</b>	<b>kWh</b>		<b>kW</b>		<b>Current Loss Factor</b>	<b>1.0460</b>
<b>RPP Tier One</b>	<b>600</b>	<b>kWh</b>	<b>Load Factor</b>			<b>Proposed Loss Factor</b>	<b>1.0460</b>

General Service Less Than 50 kW	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	15.39%
Energy Second Tier (kWh)	1,492.00	0.0790	117.87	1,492.00	0.0790	117.87	0.00	0.00%	44.47%
<b>Sub-Total: Energy</b>			<b>158.67</b>			<b>158.67</b>	<b>0.00</b>	<b>0.00%</b>	<b>59.86%</b>
Service Charge	1	19.50	19.50	1	19.54	19.54	0.04	0.18%	7.37%
Service Charge Rate Rider(s)	1	5.28	5.28	1	0.00	0.00	-5.28	(100.00)%	0.00%
Distribution Volumetric Rate	2,000	0.0066	13.20	2,000	0.0066	13.22	0.02	0.18%	4.99%
Low Voltage Volumetric Rate	2,000	0.0006	1.20	2,000	0.0006	1.20	0.00	0.00%	0.45%
Distribution Volumetric Rate Rider(s)	2,000	(0.0044)	(8.80)	2,000	(0.0022)	(4.33)	4.47	(50.79)%	(1.63)%
<b>Total: Distribution</b>			<b>30.38</b>			<b>29.63</b>	<b>-0.75</b>	<b>(2.47)%</b>	<b>11.18%</b>
Retail Transmission Rate – Network Service Rate	2,092.00	0.0047	9.83	2,092.00	0.0048	10.04	0.21	2.13%	3.79%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,092.00	0.0040	8.37	2,092.00	0.0040	8.37	0.00	0.00%	3.16%
<b>Total: Retail Transmission</b>			<b>18.20</b>			<b>18.41</b>	<b>0.21</b>	<b>1.15%</b>	<b>6.95%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>48.58</b>			<b>48.04</b>	<b>-0.54</b>	<b>(1.12)%</b>	<b>18.12%</b>
Wholesale Market Service Rate	2,092.00	0.0052	10.88	2,092.00	0.0052	10.88	0.00	0.00%	4.10%
Rural Rate Protection Charge	2,092.00	0.0013	2.72	2,092.00	0.0013	2.72	0.00	0.00%	1.03%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.09%
<b>Sub-Total: Regulatory</b>			<b>13.85</b>			<b>13.85</b>			<b>5.22%</b>
Debt Retirement Charge (DRC)	2,000.00	0.00700	14.00	2,000	0.0070	14.00	0.00	0.00%	5.28%
<b>Total Bill before Taxes</b>			<b>235.10</b>			<b>234.55</b>	<b>-0.54</b>	<b>(0.23)%</b>	<b>88.50%</b>
HST		13%	30.56		13%	30.49	-0.07	(0.23)%	11.50%
<b>Total Bill</b>			<b>265.66</b>			<b>265.05</b>	<b>-0.61</b>	<b>(0.23)%</b>	<b>100.00%</b>
Ontario Clean Energy Benefit (OCEB)		(10%)	-26.57		(10%)	-26.50			
<b>Total Bill (less OCEB)</b>			<b>239.09</b>			<b>238.54</b>	<b>(0.55)</b>	<b>(0.23)%</b>	





Ontario Energy Board

**3<sup>RD</sup> Generation Incentive  
Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171



**Rate Class**

**General Service 50 to 1,499 kW**

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	66.00	54.18
Smart Meter Funding Adder	2.50	-
Service Charge Rate Rider(s)	10.98	-
Distribution Volumetric Rate	2.79450	2.29413
Distribution Volumetric Rate Rider(s)	(1.38100)	(0.75571)
Low Voltage Volumetric Rate	0.22700	0.22700
Retail Transmission Rate – Network Service Rate	1.95630	1.99830
Retail Transmission Rate – Line and Transformation Connection Service Rate	1.58610	1.58260
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	1.0356	1.0356



Ontario Energy Board

**3<sup>RD</sup> Generation Incentive  
Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171



**Rate Class**

**Intermediate With Self Generation**

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	220.00	220.40
Smart Meter Funding Adder	2.50	-
Service Charge Rate Rider(s)	51.34	-
Distribution Volumetric Rate	1.00770	1.00951
Distribution Volumetric Rate Rider(s)	(1.15970)	(0.72891)
Low Voltage Volumetric Rate	0.26770	0.26770
Retail Transmission Rate – Network Service Rate	2.18800	2.23500
Retail Transmission Rate – Line and Transformation Connection Service Rate	1.87080	1.86660
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	1.0356	1.0356



Ontario Energy Board

**3<sup>RD</sup> Generation Incentive  
Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171



Rate Class

Sentinel Lighting



Ontario Energy Board

**3<sup>RD</sup> Generation Incentive  
Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171



Rate Class

Street Lighting



Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

**Residential RPP**

Consumption kWh	250				
Season	Summer				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	17.78	17.78	0.00	0.0%	48.6%
Distribution	15.27	11.94	(3.33)	(21.8)%	32.7%
Retail Transmission	2.51	2.54	0.03	1.2%	6.9%
Delivery	17.78	14.48	(3.30)	(18.6)%	39.6%
Regulatory	1.95	1.95	0.00	0.0%	5.3%
Debt Retirement	1.75	1.75	0.00	0.0%	4.8%
HST	5.10	4.67	(0.43)	(8.4)%	12.8%
OCEB	(4.44)	(4.06)	0.37	(8.4)%	(11.1)%
Total Bill	39.92	36.57	(3.36)	(8.4)%	100.0%

**Residential RPP**

Consumption kWh	250				
Season	Winter				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	17.78	17.78	0.00	0.0%	48.6%
Distribution	15.27	11.94	(3.33)	(21.8)%	32.7%
Retail Transmission	2.51	2.54	0.03	1.2%	6.9%
Delivery	17.78	14.48	(3.30)	(18.6)%	39.6%
Regulatory	1.95	1.95	0.00	0.0%	5.3%
Debt Retirement	1.75	1.75	0.00	0.0%	4.8%
HST	5.10	4.67	(0.43)	(8.4)%	12.8%
OCEB	(4.44)	(4.06)	0.37	(8.4)%	(11.1)%
Total Bill	39.92	36.57	(3.36)	(8.4)%	100.0%

**Residential RPP**

Consumption kWh	250				
Season	Average				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	17.78	17.78	0.00	0.0%	48.6%
Distribution	15.27	11.94	(3.33)	(21.8)%	32.7%
Retail Transmission	2.51	2.54	0.03	1.2%	6.9%
Delivery	17.78	14.48	(3.30)	(18.6)%	39.6%
Regulatory	1.95	1.95	0.00	0.0%	5.3%
Debt Retirement	1.75	1.75	0.00	0.0%	4.8%
HST	5.10	4.67	(0.43)	(8.4)%	12.8%
OCEB	(4.44)	(4.06)	0.37	(8.4)%	(11.1)%
Total Bill	39.92	36.57	(3.36)	(8.4)%	100.0%

**Residential RPP - TOU**

Consumption kWh	250				
Season	Average				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	19.10	19.10	0.00	0.0%	50.4%
Distribution	15.27	11.94	(3.33)	(21.8)%	31.5%
Retail Transmission	2.51	2.54	0.03	1.2%	6.7%
Delivery	17.78	14.48	(3.30)	(18.6)%	38.2%
Regulatory	1.95	1.95	0.00	0.0%	5.1%
Debt Retirement	1.75	1.75	0.00	0.0%	4.6%
HST	5.28	4.85	(0.43)	(8.1)%	12.8%
OCEB	(4.59)	(4.21)	0.38	(8.3)%	(11.1)%
Total Bill	41.27	37.92	(3.35)	(8.1)%	100.0%

**Residential Non - RPP**

Consumption kWh	250				
Season	Average				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	17.88	17.88	0.00	0.0%	48.1%
Distribution	16.55	12.44	(4.11)	(24.8)%	33.5%
Retail Transmission	2.51	2.54	0.03	1.2%	6.8%
Delivery	19.06	14.98	(4.08)	(21.4)%	40.3%
Regulatory	1.95	1.95	0.00	0.0%	5.2%
Debt Retirement	1.75	1.75	0.00	0.0%	4.7%
HST	5.28	4.75	(0.53)	(10.0)%	12.8%
OCEB	(4.59)	(4.13)	0.46	(10.0)%	(11.1)%
Total Bill	41.33	37.18	(4.15)	(10.0)%	100.0%

**Residential RPP**

Consumption kWh	800				
Season	Summer				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	59.51	59.51	0.00	0.0%	60.2%
Distribution	22.36	18.21	(4.15)	(18.6)%	18.4%
Retail Transmission	8.03	8.12	0.09	1.1%	8.2%
Delivery	30.39	26.33	(4.06)	(13.4)%	26.7%
Regulatory	5.69	5.69	0.00	0.0%	5.8%
Debt Retirement	5.60	5.60	0.00	0.0%	5.7%
HST	13.15	12.63	(0.52)	(4.0)%	12.8%
OCEB	(11.43)	(10.98)	0.46	(4.0)%	(11.1)%
Total Bill	102.91	98.78	(4.12)	(4.0)%	100.0%

**Residential RPP**

Consumption kWh	800				
Season	Winter				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	56.90	56.90	0.00	0.0%	59.2%
Distribution	22.36	18.21	(4.15)	(18.6)%	18.9%
Retail Transmission	8.03	8.12	0.09	1.1%	8.4%
Delivery	30.39	26.33	(4.06)	(13.4)%	27.4%
Regulatory	5.69	5.69	0.00	0.0%	5.9%
Debt Retirement	5.60	5.60	0.00	0.0%	5.8%
HST	12.82	12.29	(0.53)	(4.1)%	12.8%
OCEB	(11.14)	(10.68)	0.46	(4.1)%	(11.1)%
Total Bill	100.26	96.13	(4.13)	(4.1)%	100.0%

**Residential RPP**

Consumption kWh	800				
Season	Average				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	57.31	57.31	0.00	0.0%	59.4%
Distribution	22.36	18.21	(4.15)	(18.6)%	18.9%
Retail Transmission	8.03	8.12	0.09	1.1%	8.4%
Delivery	30.39	26.33	(4.06)	(13.4)%	27.3%
Regulatory	5.69	5.69	0.00	0.0%	5.9%
Debt Retirement	5.60	5.60	0.00	0.0%	5.8%
HST	12.87	12.34	(0.53)	(4.1)%	12.8%
OCEB	(11.19)	(10.73)	0.46	(4.1)%	(11.1)%
Total Bill	100.67	96.54	(4.13)	(4.1)%	100.0%

**Residential RPP - TOU**

Consumption kWh	800				
Season	Average				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	61.13	61.13	0.00	0.0%	60.9%
Distribution	22.36	18.21	(4.15)	(18.6)%	18.1%
Retail Transmission	8.03	8.12	0.09	1.1%	8.1%
Delivery	30.39	26.33	(4.06)	(13.4)%	26.2%
Regulatory	5.69	5.69	0.00	0.0%	5.7%
Debt Retirement	5.60	5.60	0.00	0.0%	5.6%
HST	13.37	12.84	(0.53)	(4.0)%	12.8%
OCEB	(11.62)	(11.16)	0.46	(4.0)%	(11.1)%
Total Bill	104.56	100.43	(4.13)	(3.9)%	100.0%

**Residential Non - RPP**

Consumption kWh	800				
Season	Average				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	57.21	57.21	0.00	0.0%	58.3%
Distribution	26.44	19.81	(6.63)	(25.1)%	20.2%
Retail Transmission	8.03	8.12	0.09	1.1%	8.3%
Delivery	34.47	27.93	(6.54)	(19.0)%	28.5%
Regulatory	5.69	5.69	0.00	0.0%	5.8%
Debt Retirement	5.60	5.60	0.00	0.0%	5.7%
HST	13.39	12.54	(0.85)	(6.3)%	12.8%
OCEB	(11.64)	(10.90)	0.74	(6.4)%	(11.1)%
Total Bill	104.72	98.07	(6.65)	(6.4)%	100.0%

**Residential RPP**

Consumption kWh	2,500				
Season	Summer				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	199.99	199.99	0.00	0.0%	66.1%
Distribution	44.29	37.59	(6.70)	(15.1)%	12.4%
Retail Transmission	25.11	25.37	0.26	1.0%	8.4%
Delivery	69.40	62.96	(6.44)	(9.3)%	20.8%
Regulatory	17.25	17.25	0.00	0.0%	5.7%
Debt Retirement	17.50	17.50	0.00	0.0%	5.8%
HST	39.54	38.70	(0.84)	(2.1)%	12.8%
OCEB	(34.37)	(33.64)	0.73	(2.1)%	(11.1)%
Total Bill	309.31	302.76	(6.55)	(2.1)%	100.0%

**Residential RPP**

Consumption kWh	2,500				
Season	Winter				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	195.59	195.59	0.00	0.0%	65.6%
Distribution	44.29	37.59	(6.70)	(15.1)%	12.6%
Retail Transmission	25.11	25.37	0.26	1.0%	8.5%
Delivery	69.40	62.96	(6.44)	(9.3)%	21.1%
Regulatory	17.25	17.25	0.00	0.0%	5.8%
Debt Retirement	17.50	17.50	0.00	0.0%	5.9%
HST	38.97	38.13	(0.84)	(2.2)%	12.8%
OCEB	(33.87)	(33.14)	0.73	(2.1)%	(11.1)%
Total Bill	304.84	298.29	(6.55)	(2.1)%	100.0%

**Residential RPP**

Consumption kWh	2,500				
Season	Average				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	197.79	197.79	0.00	0.0%	65.8%
Distribution	44.29	37.59	(6.70)	(15.1)%	12.5%
Retail Transmission	25.11	25.37	0.26	1.0%	8.4%
Delivery	69.40	62.96	(6.44)	(9.3)%	20.9%
Regulatory	17.25	17.25	0.00	0.0%	5.7%
Debt Retirement	17.50	17.50	0.00	0.0%	5.8%
HST	39.25	38.42	(0.83)	(2.1)%	12.8%
OCEB	(34.12)	(33.39)	0.73	(2.1)%	(11.1)%
Total Bill	307.07	300.53	(6.54)	(2.1)%	100.0%

**Residential RPP - TOU**

Consumption kWh	2,500				
Season	Average				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	190.99	190.99	0.00	0.0%	65.0%
Distribution	44.29	37.59	(6.70)	(15.1)%	12.8%
Retail Transmission	25.11	25.37	0.26	1.0%	8.6%
Delivery	69.40	62.96	(6.44)	(9.3)%	21.4%
Regulatory	17.25	17.25	0.00	0.0%	5.9%
Debt Retirement	17.50	17.50	0.00	0.0%	6.0%
HST	38.37	37.53	(0.84)	(2.2)%	12.8%
OCEB	(33.35)	(32.62)	0.73	(2.2)%	(11.1)%
Total Bill	300.16	293.61	(6.55)	(2.2)%	100.0%

**Residential Non - RPP**

Consumption kWh	2,500				
Season	Average				
	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	178.79	178.79	0.00	0.0%	62.5%
Distribution	57.04	42.59	(14.45)	(25.3)%	14.9%
Retail Transmission	25.11	25.37	0.26	1.0%	8.9%
Delivery	82.15	67.96	(14.19)	(17.3)%	23.7%
Regulatory	17.25	17.25	0.00	0.0%	6.0%
Debt Retirement	17.50	17.50	0.00	0.0%	6.1%
HST	38.44	36.60	(1.84)	(4.8)%	12.8%
OCEB	(33.41)	(31.81)	1.60	(4.8)%	(11.1)%
Total Bill	300.72	286.29	(14.43)	(4.8)%	100.0%

Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

**General Service Less Than 50 kW**

**RPP**

Consumption kWh **500**

Season **Average**

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	35.56	35.56	0.00	0.0%	51.8%
Distribution	26.18	20.14	(6.04)	(23.1)%	29.4%
Retail Transmission	4.55	4.60	0.05	1.1%	6.7%
Delivery	30.73	24.74	(5.99)	(19.5)%	36.1%
Regulatory	3.65	3.65	0.00	0.0%	5.3%
Debt Retirement	3.50	3.50	0.00	0.0%	5.1%
HST	9.55	8.77	(0.78)	(8.2)%	12.8%
OCEB	(8.30)	(7.62)	0.68	(8.2)%	(11.1)%
Total Bill	74.69	68.60	(6.09)	(8.2)%	100.0%

**General Service Less Than 50 kW**

**RPP**

Consumption kWh **2,000**

Season **Average**

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	157.02	157.02	0.00	0.0%	68.6%
Distribution	30.38	21.94	(8.44)	(27.8)%	9.6%
Retail Transmission	18.20	18.41	0.21	1.2%	8.0%
Delivery	48.58	40.35	(8.23)	(16.9)%	17.6%
Regulatory	13.85	13.85	0.00	0.0%	6.0%
Debt Retirement	14.00	14.00	0.00	0.0%	6.1%
HST	30.35	29.28	(1.07)	(3.5)%	12.8%
OCEB	(26.38)	(25.45)	0.93	(3.5)%	(11.1)%
Total Bill	237.42	229.05	(8.37)	(3.5)%	100.0%

**General Service Less Than 50 kW**

**RPP**

Consumption kWh **10,000**

Season **Average**

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	818.09	818.09	0.00	0.0%	74.5%
Distribution	52.78	31.54	(21.24)	(40.2)%	2.9%
Retail Transmission	91.00	92.05	1.05	1.2%	8.4%
Delivery	143.78	123.59	(20.19)	(14.0)%	11.3%
Regulatory	68.24	68.24	0.00	0.0%	6.2%
Debt Retirement	70.00	70.00	0.00	0.0%	6.4%
HST	143.01	140.39	(2.62)	(1.8)%	12.8%
OCEB	(124.31)	(122.03)	2.28	(1.8)%	(11.1)%
Total Bill	1,118.81	1,098.28	(20.53)	(1.8)%	100.0%

**General Service Less Than 50 kW**

**RPP - TOU**

Consumption kWh **500**

Season **Average**

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	38.20	38.20	0.00	0.0%	53.6%
Distribution	26.18	20.14	(6.04)	(23.1)%	28.3%
Retail Transmission	4.55	4.60	0.05	1.1%	6.5%
Delivery	30.73	24.74	(5.99)	(19.5)%	34.7%
Regulatory	3.65	3.65	0.00	0.0%	5.1%
Debt Retirement	3.50	3.50	0.00	0.0%	4.9%
HST	9.89	9.11	(0.78)	(7.9)%	12.8%
OCEB	(8.60)	(7.92)	0.68	(7.9)%	(11.1)%
Total Bill	77.37	71.28	(6.09)	(7.9)%	100.0%

**General Service Less Than 50 kW**

**RPP - TOU**

Consumption kWh **2,000**

Season **Average**

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	152.79	152.79	0.00	0.0%	68.0%
Distribution	30.38	21.94	(8.44)	(27.8)%	9.8%
Retail Transmission	18.20	18.41	0.21	1.2%	8.2%
Delivery	48.58	40.35	(8.23)	(16.9)%	18.0%
Regulatory	13.85	13.85	0.00	0.0%	6.2%
Debt Retirement	14.00	14.00	0.00	0.0%	6.2%
HST	29.80	28.73	(1.07)	(3.6)%	12.8%
OCEB	(25.90)	(24.97)	0.93	(3.6)%	(11.1)%
Total Bill	233.12	224.75	(8.37)	(3.6)%	100.0%

**General Service Less Than 50 kW**

**RPP - TOU**

Consumption kWh **10,000**

Season **Average**

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	764.00	764.00	0.00	0.0%	73.2%
Distribution	52.78	31.54	(21.24)	(40.2)%	3.0%
Retail Transmission	91.00	92.05	1.05	1.2%	8.8%
Delivery	143.78	123.59	(20.19)	(14.0)%	11.8%
Regulatory	68.24	68.24	0.00	0.0%	6.5%
Debt Retirement	70.00	70.00	0.00	0.0%	6.7%
HST	135.98	133.36	(2.62)	(1.9)%	12.8%
OCEB	(118.20)	(115.92)	2.28	(1.9)%	(11.1)%
Total Bill	1,063.80	1,043.27	(20.53)	(1.9)%	100.0%

**General Service Less Than 50 kW**

**Non - RPP**

Consumption kWh **500**

Season **Average**

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	35.76	35.76	0.00	0.0%	51.2%
Distribution	28.73	21.14	(7.59)	(26.4)%	30.3%
Retail Transmission	4.55	4.60	0.05	1.1%	6.6%
Delivery	33.28	25.74	(7.54)	(22.7)%	36.9%
Regulatory	3.65	3.65	0.00	0.0%	5.2%
Debt Retirement	3.50	3.50	0.00	0.0%	5.0%
HST	9.90	8.92	(0.98)	(9.9)%	12.8%
OCEB	(8.61)	(7.76)	0.85	(9.9)%	(11.1)%
Total Bill	77.48	69.81	(7.67)	(9.9)%	100.0%

**General Service Less Than 50 kW**

**Non - RPP**

Consumption kWh **2,000**

Season **Average**

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	143.03	143.03	0.00	0.0%	65.3%
Distribution	40.58	25.94	(14.64)	(36.1)%	11.9%
Retail Transmission	18.20	18.41	0.21	1.2%	8.4%
Delivery	58.78	44.35	(14.43)	(24.5)%	20.3%
Regulatory	13.85	13.85	0.00	0.0%	6.3%
Debt Retirement	14.00	14.00	0.00	0.0%	6.4%
HST	29.86	27.98	(1.88)	(6.3)%	12.8%
OCEB	(25.95)	(24.32)	1.63	(6.3)%	(11.1)%
Total Bill	233.57	218.89	(14.68)	(6.3)%	100.0%

**General Service Less Than 50 kW**

**Non - RPP**

Consumption kWh **10,000**

Season **Average**

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	715.15	715.15	0.00	0.0%	70.5%
Distribution	103.78	51.54	(52.24)	(50.3)%	5.1%
Retail Transmission	91.00	92.05	1.05	1.2%	9.1%
Delivery	194.78	143.59	(51.19)	(26.3)%	14.2%
Regulatory	68.24	68.24	0.00	0.0%	6.7%
Debt Retirement	70.00	70.00	0.00	0.0%	6.9%
HST	136.26	129.61	(6.65)	(4.9)%	12.8%
OCEB	(118.44)	(112.66)	5.78	(4.9)%	(11.1)%
Total Bill	1,065.99	1,013.93	(52.06)	(4.9)%	100.0%

Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

### General Service 50 to 1,499 kW

Consumption kWh 39,067      Consumption kW 108  
Season Average

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	2,793.87	2,793.87	0.00	0.0%	63.5%
Distribution	455.90	175.21	(280.69)	(61.6)%	4.0%
Retail Transmission	382.58	386.74	4.16	1.1%	8.8%
Delivery	838.48	561.95	(276.53)	(33.0)%	12.8%
Regulatory	265.86	265.86	0.00	0.0%	6.0%
Debt Retirement	273.47	273.47	0.00	0.0%	6.2%
HST	542.32	506.37	(35.95)	(6.6)%	11.5%
Total Bill	4,714.00	4,401.52	(312.48)	(6.6)%	100.0%

Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

### Intermediate Users

Consumption kWh	506,914	Consumption kW	1,648
Season	Average		

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	36,251.97	36,251.97	0.00	0.0%	64.0%
Distribution	3,049.77	116.07	(2,933.70)	(96.2)%	0.2%
Retail Transmission	6,688.90	6,759.44	70.54	1.1%	11.9%
Delivery	9,738.67	6,875.51	(2,863.16)	(29.4)%	12.1%
Regulatory	3,446.76	3,446.76	0.00	0.0%	6.1%
Debt Retirement	3,548.40	3,548.40	0.00	0.0%	6.3%
HST	6,888.15	6,515.94	(372.21)	(5.4)%	11.5%
Total Bill	59,873.95	56,638.58	(3,235.37)	(5.4)%	100.0%



Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

### Sentinel Lighting

Consumption kWh	167	Consumption kW	0.5
Season	Average		

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	11.94	11.94	0.00	0.0%	49.5%
Distribution	7.50	5.55	(1.95)	(26.0)%	23.0%
Retail Transmission	1.29	1.31	0.02	1.6%	5.4%
Delivery	8.79	6.86	(1.93)	(22.0)%	28.4%
Regulatory	1.39	1.39	0.00	0.0%	5.8%
Debt Retirement	1.17	1.17	0.00	0.0%	4.8%
HST	3.03	2.78	(0.25)	(8.3)%	11.5%
Total Bill	26.32	24.14	(2.18)	(8.3)%	100.0%

Hearst Power Distribution Company Limited

Effective Date : May 1, 2012

### Street Lighting

Consumption kWh	91	Consumption kW	0.3
Season	Average		

	Current	Proposed	Change \$	Change %	% of Total Bill
Energy	6.52	6.52	0.00	0.0%	8.8%
Distribution	5.86	7.55	1.69	28.8%	10.2%
Retail Transmission	0.75	0.76	0.01	1.3%	1.0%
Delivery	6.61	8.31	1.70	25.7%	11.2%
Regulatory	49.97	49.97	0.00	0.0%	67.6%
Debt Retirement	0.64	0.64	0.00	0.0%	0.9%
HST	8.29	8.51	0.22	2.7%	11.5%
Total Bill	72.03	73.95	1.92	2.7%	100.0%

# **Exhibit 1**

---

## **Tab 2 of 3**

### **Elements of the IRM**

# Price Cap Index Adjustment

---

Hearst Power has entered into the Board's Rate Generator Model an interim price cap adjustment of 0.18% as follows:

Inflation (GDP-IPI) Factor	1.30%
Productivity Factor	(0.72%)
Interim Stretch Factor	(0.40%)
<b>Interim Price Cap Adjustment</b>	<b>0.18%</b>

Hearst Power acknowledges that the Inflation (GDP-IPI) Factor and Stretch Factor are subject to update by the Board.

The calculation of the price cap adjustment is shown at Sheet F1.2 GDP-IPI Price Cap Adjustment to Rates, of the 2012 IRM3 Rate Generator. Based on filing instructions, this information is to be updated by the OEB once the final 2011 GDP-IPI data has been published by Statistics Canada expected near the end of February, 2012.

The price cap adjustment will be applied to the Service Charge and Distribution Volumetric Rate. The price cap adjustment will not be applied to the funding adders, rate riders, Low Voltage Service Charges, Retail Transmission Service Rates, the Wholesale Market Service Rate, the Rural Rate Protection Charge, the Standard Supply Service – Administrative Charge, microFIT service charge, Specific Service Charges, Transformation and Primary Metering Allowances, Retail Service Charges or Loss Factors.

# 1 Incremental Capital Module

2

---

3 Hearst Power is not applying for an adjustment under the Incremental Capital Module.

4

5

1 **Z-Factor Claims**

2

---

3 Hearst Power is not applying for an adjustment under the Z-Factor Claims.

# Revenue-to-Cost Ratio Adjustments

Revenue-to-cost ratios measure the relationship between the revenues expected from a class of customers and the level of costs allocated to that class. The Board has established target Ratio ranges (the "Target Ranges") for Ontario electricity distributors in its report Application of Cost Allocation for Electricity Distributors, dated November 28, 2007.

The Board's Decision (EB-2009-0266) for Hearst Power's 2010 cost of service rate application prescribed a phase-in period to adjust revenue to cost ratios.

*The Board finds that the changes proposed for Street Lights shall be phased in over two years. The revenue to cost ratio for Street Lights shall be 50% for 2010 rates, continue at 50% for 2011 rates, and shall be increased to 70% with the 2012 rates.*

*The Board understands that the outcome of the ratios ordered in this and the previous paragraphs may result in a higher or lower ratio for the General Service > 50 kW class than was proposed by the Applicant. For 2010 and 2011, Hearst Power shall demonstrate what ratio is achieved as a net outcome of the re-balancing of the other classes. With 2012 rates, Hearst Power will achieve a revenue to cost ratio of no higher than 180% for the General Service > 50 kW class, and if necessary to attain this ratio it may raise the Residential ratio toward 100%.*

The Draft Rate Order for Hearst Power's 2010 IRM rate application noted acceptance of the following adjustments.

Customer Class Name	Service Revenue Requirement			Previous Revenue to Cost Ratio <sup>9</sup>	Variance	Target Range	
	Rate Application <sup>8</sup>	Cost Allocation <sup>8</sup>	Revenue to Cost Ratio			Floor	Celling
Residential	711,732	726,257	0.98	1.00	-0.02	0.85	1.15
GS<50kW	186,494	186,494	1.00	1.15	-0.15	0.80	1.20
GS>50kW	170,521	76,770	2.22	2.89	-0.67	0.80	1.80
Intermediate Users	44,200	55,250	0.80	-0.07	0.87	0.80	1.80
Sentinel Lights	1,098	1,568	0.70	0.59	0.11	0.70	1.20
Street Lights	67,706	135,412	0.50	0.17	0.33	0.70	1.20
<b>TOTAL</b>	<b>1,181,750</b>	<b>1,181,750</b>	<b>1.00</b>	<b>1.00</b>			

1 Hearst Power proposes in this application to complete the phase-in by applying the proposed  
2 adjustments.

3

Rate Class	2010 Revenue Cost Ratio	2012 Revenue Cost Ratio	Target Range
Residential	98.00%	99.00%	85 - 115
General Service Less Than 50 kW	100.00%	100.00%	80 - 120
General Service 50 to 1,499 kW	222.00%	180.00%	80 - 180
Intermediate	80.00%	80.00%	80 - 180
Sentinel Lighting	70.00%	70.00%	70 - 120
Street Lighting	50.00%	70.00%	70 - 120



# 1 Shared Tax Savings

2

---

3 The Board has previously determined that the impact of currently known tax changes should be  
4 reflected in rates using a 50/50 sharing as detailed in the Supplemental Report of the Board on  
5 3rd Generation Incentive Regulation, dated September 17, 2008.

6

7 In 2012, the overall corporate income tax rate is expected to decrease from the 16.50% in rates  
8 to 15.50%. These tax changes create incremental savings of \$411. The amount to be retained  
9 by Hearst Power is \$206.

10

11 Hearst Power has used the 2012 IRM 3 Shared Tax Savings Workform to determine the  
12 associated proposed rate rider for rates effective May 1, 2012. Hearst Power notes that the  
13 calculated rate riders for one or more rate classes results in energy-based kWh rate riders of  
14 \$(0.0000) when rounded to the fourth decimal place. Hearst Power requests that the entire  
15 Board-approved amount for refund be recorded in a USoA account to be determined by the  
16 Board for disposition in a future rate setting.

17

# LRAM / SSM

Per Chapter 3 of the Filing Requirements for Transmission and Distribution Applications issued June 22, 2011 the Board states that it has approved LRAM and SSM applications for many distributors since the beginning of the Third Tranche CDM period in 2005. The guidelines also note that it is the Board's understanding that there may still be remaining distributors who have yet to apply to the Board for recovery of LRAM and/or SSM amounts related to CDM activities undertaken between 2005 and 2010.

The Board advised distributors intending to file an LRAM application for CDM Programs funded by the OPA between 2005 and 2010, should do so as part of their 2012 rate application filings. The Board continued to advise that if a distributor does not file for the recovery of LRAM or SSM amounts in its 2012 rate application, it will forego the opportunity to recover LRAM or SSM for this legacy period of CDM activity.

Therefore Hearst Power has included in this application an LRAM claim in the amount of \$33,962.36 for the years from January 1, 2006 through April 30, 2012. A third party review by the consulting firm Elenchus is enclosed herein, which supports this claim.

The following table calculates the proposed rate riders to be collected over a one year period ending April 30, 2013:

Customer Class	2010 RRR	Units	LRAM	Proposed Rate Rider
Residential	25,225,707	kWh	\$27,218.74	0.0011
General Service Less Than 50 kW	11,529,904	kWh	\$1,911.66	0.0002
General Service 50 to 2,999 kW	49,410	kW	\$4,831.96	0.0978
Total			<b>\$33,962.36</b>	

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 1

Tab2

Schedule 6

Attachment1

Attachment 1 of 1

Elenchus LRAM Report

Suite 600, 34 King Street East  
Toronto, Ontario M5C 2X8  
Fax: (416) 348-9930  
web: [elenchus.ca](http://elenchus.ca) & [cerise.info](http://cerise.info)

Martin Benum  
Tel: (416) 640-0929  
[mbenum@elenchus.ca](mailto:mbenum@elenchus.ca)



September 28, 2011

Steven Blier  
General Manager  
Hearst Power Distribution Company Limited  
925 Alexandra Street  
Hearst, ON  
P0L 1N0

**Re: 2006 to 2012 LRAM Report**

Dear Steven:

Elenchus is pleased to attach the 2006 to 2012 LRAM Report For Hearst Power Distribution Company Limited for inclusion in your 2012 IRM3 Rate Application.

Elenchus concludes that Hearst Power Distribution Company Limited's electricity rates should be adjusted to reflect an LRAM claim of \$33,962.36

Thank you for allowing Elenchus to be of service. Please contact me should you have any questions about this report.

Yours Truly,

A handwritten signature in black ink that reads "M Benum".

Martin Benum  
Senior Consultant



## **2006 to 2012 LRAM REPORT**

**Prepared on: September 28, 2011**

### **Prepared for:**

**Hearst Power Distribution Company Limited  
925 Alexandra Street  
Hearst, ON  
P0L 1N0**

This document was prepared for Hearst Power Distribution Company Limited  
by Elenchus Research Associates Inc.

For additional information regarding this document please contact:

Elenchus Research Associates Inc.

34 King Street East, Suite 600

Toronto, Ontario

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Tel: 416 532-4333

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written permission of Elenchus Research Associates Inc.

September 28, 2011

Hearst Power Distribution Company Limited

2006 to 2012 LRAM Report

September 28, 2011

Exhibit 1



## **Exhibit 1**

# **LRAM REPORT**



## **Exhibit 1**

---

**Tab 1 of 3**

**Report**





## Report Contents

Title	Exhibit	Tab	Schedule	Attachment	Number
Cover Letter					
Cover Sheet					
LRAM REPORT	1				
Report	1	1			
Table of Contents	1	1	1		
Executive Review	1	1	2		
Introduction	1	1	3		
Assumptions	1	1	4		
LRAM Recommendations	1	1	5		
Works Sited and Referenced	1	1	6		
Tables	1	2			
Input Tables OPA Results	1	2	1		
OPA Results	1	2	1	1	
OPA Results Net kWh	1	2	1	1	1
OPA Results kWh Net Adjusted for April 30, 2012	1	2	1	1	2
OPA Results Net kW	1	2	1	1	3
OPA Results Net kW Adjusted for April 30, 2012	1	2	1	1	4
Output Tables LRAM Calculations	1	2	2		
LRAM Calculations	1	2	2	1	
Residential	1	2	2	1	1
General Service Less Than 50 kW	1	2	2	1	2
General Service Greater than 50 kW	1	2	2	1	3
Elenchus Personnel	1	3			
Elenchus Regulatory Solutions Consultants	1	3	1		

## 1 Executive Review

2

3 The Ontario Energy Board (OEB) Guidelines for Electricity Distributor Conservation and  
4 Demand Management (EB-2008-0037) permit Hearst Power Distribution Company  
5 Limited to make application for recovery of lost revenue that results from the successful  
6 operation of CDM initiatives within its boundaries. A third-party review of that recovery  
7 claim is required and is the subject of this report.

8

9 Elenchus Research Associates Inc. (Elenchus) acted as the third party reviewer. Personnel  
10 details can be found in Tab 3 Schedule 1.

11

12 The third party review included Hearst Power Distribution Company Limited's CDM  
13 activities from 2006 through 2010, consisting of programs initiated by the Ontario Power  
14 Authority (OPA) only. There is no claim for activity related to 2005 to 2009 Third Tranche  
15 of Market Adjustment Revenue Requirement (MARR) funding or post-Third Tranche  
16 funding.

17

18 The LRAM claim, correspondingly, includes energy and demand savings that result from  
19 those 2006 – 2010 programs, some of which continue through to the end of the filing  
20 period, which is April 30, 2012.

21

22 There has been no previous LRAM application by Hearst Power Distribution Company  
23 Limited

24

25 Total net energy savings for which LRAM is being claimed amount to over 2.7 GWh in the  
26 residential rate class and 0.2 GWh in the GS < 50 kW rate class. Summer peak demand  
27 savings in the GS 50 to 2,999 kW rate class totaled approximately 1.6 MW.

28

29 Elenchus concludes that Hearst Power Distribution Company Limited's electricity rates  
30 should be adjusted to reflect an LRAM claim of \$33,962.36

31

# 1 Introduction

2

3 The Lost Revenue Adjustment Mechanism (LRAM) is designed to ensure that Local  
4 Distribution Companies (LDC) “remain whole” despite the lower consumption levels that  
5 are, by design, the result of successful conservation and demand management initiatives.  
6 There should not be a disincentive for LDC’s to encourage energy efficiency and energy  
7 conservation efforts. Therefore, an LDC is compensated for these lost revenues.

8

9 This claim for lost revenue (LRAM) respects the process outlined in the March 28, 2008  
10 OEB Guidelines for Electricity Distributor Conservation and Demand Management EB-  
11 2008-0037) (“CDM Guidelines”) for rate-based applications to recover revenues lost to  
12 customer energy conservation.

13

14 The LRAM calculation is based on the sum of the electricity savings over the period of the  
15 claim, which are then valued at the appropriate distribution rate depending on the timing  
16 (year) of the savings and to which rate class they belonged.

17

18 The savings themselves are the product of an energy program evaluation process, often  
19 referred to as Evaluation, Measurement and Verification (EM&V). Fortunately, in the case  
20 of this claim, all savings estimates are for OPA programs and are provided by the OPA.

21

22 These savings estimates include persistence—the installation of energy conservation  
23 measures whose savings that last past the initial year that they are installed. A four-year  
24 program that installed 10 widgets per year with a savings of 1,000 kWh each would result  
25 in the following savings profile if the widgets lasted 4 or more years (which is common):

26

27

**Example Savings Profile Showing Effect of Persistence**

<b>Year</b>	<b>In-Year Savings (kWh)</b>	<b>Cumulative Savings (kWh)</b>
1	10,000	10,000
2	20,000	30,000
3	30,000	60,000
4	40,000	100,000

28

29 The OPA designed and delivered some initial programs in 2006 and 2007, but then set-out  
30 to build a portfolio of programs to address a broad cross-section of customer types that

1 would run from 2008 to 2010. This latter time frame corresponds to an Ontario goal of  
2 shaving 1,350 MW from the electricity system in the province. Savings from these  
3 programs typically follow a pattern similar to the one illustrated in the table above. Energy  
4 program evaluations determine the energy and demand savings estimates to a reasonable  
5 degree of accuracy and also determine the persistence including patterns, or effective  
6 useful life (EUL) of new measures being installed and the remaining useful life (RUL) of  
7 measures being replaced. It is assumed that the tables provided to each LDC, Hearst Power  
8 Distribution Company Limited, by the OPA contain accurate interpretations and  
9 transcriptions of the results from those evaluations (available on the OPA Website).

10  
11 There are “gross” savings and “net” savings for energy efficiency programs. OPA  
12 documentation details the differences between these two, and both are provided to LDC’s  
13 by the OPA, but for the purposes of this LRAM claim only “net” savings are utilized. Net  
14 savings are determined to be those savings that would not have occurred unless the energy  
15 efficiency program was running. They are not natural conservation or savings that  
16 someone could claim would have occurred anyway. They do not include savings from “free  
17 riders.”

18  
19 Some energy efficiency programs are operated at a province-wide scale. These include  
20 some behavioural-based programs and some residential/consumer-orientated initiatives  
21 like discount coupons. In certain of these cases, savings are apportioned to LDC’s by the  
22 OPA rather than an attempt made to track individual transactions (which is sometimes  
23 impossible).

24  
25 The savings claimed by Hearst Power Distribution Company Limited are therefore the net  
26 energy and demand savings that can be attributed to the programs and initiatives that  
27 operated in Hearst Power Distribution Company Limited territory during the 2006-2010  
28 period and as apportioned to Hearst Power Distribution Company Limited by the OPA  
29 according to its established formulae.

30

# 1 Assumptions

2

---

3 This report for Hearst Power Distribution Company Limited was created with the following  
4 assumptions that are often peculiar to the 2006-2010 period:

5

6 • “Consumer” kWh classified as the Residential rate class

7 • “Business” and/or “Industrial” kWh classified as General Service <50 kW because  
8 larger industrial projects were not yet part of the program mix by the end of 2010

9 • “Consumer” kW savings were omitted because they are immaterial

10 • Designated “business and industrial” kW classified as General Service >50 kW  
11 because it consists primarily of Demand Response initiatives utilized by large  
12 industrial participants  
13

# 1 LRAM Recommendations

2

3 During the period of the LRAM claim, total net energy savings for which LRAM is being  
4 claimed amount to over 2.7 GWh in the residential rate class and 0.2 GWh in the GS < 50  
5 kW rate class. Summer peak demand savings in the GS 50 to 2,999 kW rate class totaled  
6 approximately 1.6 MW.

7

8 Elenchus has concluded that Renfrew Hydro Inc. can justifiably claim \$33,962.36 in LRAM,  
9 allocated by rate class as shown in the table below.

10

11

12

13

14

Customer Class	Savings	LRAM
Residential	2.7 GWh	\$27,218.74
General Service Less Than 50 kW	0.2 GWH	\$1,911.66
General Service 50 to 2,999 kW	1.6 MW	\$4,831.96
Total		<b>\$33,962.36</b>

## Works Sited and Referenced

---

1. OPA Estimated allocation of 2006-2009 provincial conservation results to Local Distribution Company service territories - update to December 2010 report January 24, 2011
  - 2006-2009 Final OPA CDM Results-Update Hearst Power Distribution Company Limited.xls
2. OPA Final 2010 CDM Summary Results September 16, 2011
  - 2010 Final CDM Results Summary\_Hearst Power Distribution Company Limited.xlsx
3. OEB Conservation and Demand Management Code for Electricity Distributors Issued: September 16, 2010

## **Exhibit 1**

---

### **Tab 2 of 3**

### **Tables**



## Input Tables OPA Results

---

- |                |  |
|----------------|--|
| 1. Table One   | OPA Results Net kWh                            |
| 2. Table Two   | OPA Results Net kWh Adjusted to April 30, 2012 |
| 3. Table Three | OPA Results Net kW                             |
| 4. Table Four  | OPA Results Net kW Adjusted to April 30, 2012  |

Table One - OPA Results Net kWh

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,703	3,703	3,703	3,703	3,703	3,703	-	22,218
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,141	9,141	9,141	9,141	9,141	9,141	9,141	63,989
3	Every Kilowatt Counts	Consumer	2006	Final	237,194	237,194	237,194	237,194	30,582	30,582	30,582	1,040,521
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	15,038	15,038	15,038	15,038	15,038	14,325	89,516
8	Every Kilowatt Counts	Consumer	2007	Final	-	90,146	89,043	89,043	89,043	89,043	86,002	532,320
10	Summer Savings	Consumer	2007	Final	-	89,717	15,122	5,724	5,724	5,724	5,724	127,734
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	8,193	8,193	8,193	8,193	8,193	8,193	49,159
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	7,080	7,080	7,080	7,080	7,080	35,402
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,392	15,392	15,392	15,392	15,392	76,960
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	78,133	77,793	77,793	77,793	66,028	377,542
27	High Performance New Construction	Business	2008	Final	-	-	201	201	201	201	201	1,006
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	909	909	909	909	3,637
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	19,463	19,463	19,463	19,394	77,782
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	33,843	32,439	32,439	32,437	131,157
41	High Performance New Construction	Business	2009	Final	-	-	-	5,678	5,678	5,678	5,678	22,710
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	4,940	-	-	-	4,940
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	47,027	-	-	-	47,027
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	898	-	-	-	898
102	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	11,852	11,852	11,852	35,557
103	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	2,976	2,976	2,976	8,927
107	High Performance New Construction*	Business	2010	Final	-	-	-	-	18,139	18,139	18,139	54,418
109	Multifamily Energy Efficiency Rebates	Business	2010	Final	-	-	-	-	1,868	1,868	1,868	5,603
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	3,040	-	-	3,040
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	85,726	-	-	85,726
					250,038	453,132	478,241	581,262	443,980	355,215	335,922	2,897,789

Table Two - OPA Results Net kWh Adjusted to April 30, 2012

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,703	3,703	3,703	3,703	3,703	3,703	-	22,218
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,141	9,141	9,141	9,141	9,141	9,141	3,047	63,989
3	Every Kilowatt Counts	Consumer	2006	Final	237,194	237,194	237,194	237,194	30,582	30,582	10,194	1,040,521
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	15,038	15,038	15,038	15,038	15,038	4,775	89,516
8	Every Kilowatt Counts	Consumer	2007	Final	-	90,146	89,043	89,043	89,043	89,043	28,667	532,320
10	Summer Savings	Consumer	2007	Final	-	89,717	15,122	5,724	5,724	5,724	1,908	127,734
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	8,193	8,193	8,193	8,193	8,193	2,731	49,159
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	7,080	7,080	7,080	7,080	2,360	35,402
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,392	15,392	15,392	15,392	5,131	76,960
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	78,133	77,793	77,793	77,793	22,009	377,542
27	High Performance New Construction	Business	2008	Final	-	-	201	201	201	201	67	1,006
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	909	909	909	303	3,637
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	19,463	19,463	19,463	6,465	77,782
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	33,843	32,439	32,439	10,812	131,157
41	High Performance New Construction	Business	2009	Final	-	-	-	5,678	5,678	5,678	1,893	22,710
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	4,940	-	-	-	4,940
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	47,027	-	-	-	47,027
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	898	-	-	-	898
102	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	11,852	11,852	3,951	35,557
103	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	2,976	2,976	992	8,927
107	High Performance New Construction*	Business	2010	Final	-	-	-	-	18,139	18,139	6,046	54,418
109	Multifamily Energy Efficiency Rebates	Business	2010	Final	-	-	-	-	1,868	1,868	623	5,603
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	3,040	-	-	3,040
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	85,726	-	-	85,726
					250,038	453,132	478,241	581,262	443,980	355,215	111,974	2,897,789

# Table Three - OPA Results Net kW

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigeration	Consumer	2006	Final	1	1	1	1	1	1	1	5
2	Cool & Hot Savings	Consumer	2006	Final	8	8	8	8	8	8	8	59
3	Every Kilowatt Count	Consumer	2006	Final	3	3	3	3	3	3	3	20
4	Demand Response 1	Business, Industrial	2006	Final	297	-	-	-	-	-	-	297
5	Loblaw & York Region	Business, Industrial	2006	Final	15	-	-	-	-	-	-	15
7	Cool & Hot Savings	Consumer	2007	Final	-	10	10	10	10	10	9	59
8	Every Kilowatt Count	Consumer	2007	Final	-	3	3	3	3	3	3	19
10	Summer Savings	Consumer	2007	Final	-	50	15	7	7	7	7	94
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	1	1	1	1	1	1	6
17	Demand Response 1	Business, Industrial	2007	Final	-	316	-	-	-	-	-	316
18	Loblaw & York Region	Business, Industrial	2007	Final	-	26	-	-	-	-	-	26
20	Great Refrigerator Rebate	Consumer	2008	Final	-	-	1	1	1	1	1	4
21	Cool Savings Rebate	Consumer	2008	Final	-	-	10	10	10	10	10	49
22	Every Kilowatt Count	Consumer	2008	Final	-	-	4	4	4	4	4	20
27	High Performance	Business	2008	Final	-	-	0	0	0	0	0	1
29	Demand Response 1	Business, Industrial	2008	Final	-	-	308	-	-	-	-	308
30	Demand Response 3	Business, Industrial	2008	Final	-	-	60	-	-	-	-	60
31	Loblaw & York Region	Business, Industrial	2008	Final	-	-	20	-	-	-	-	20
35	Great Refrigerator Rebate	Consumer	2009	Final	-	-	-	0	0	0	0	1
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	13	13	13	13	51
37	Every Kilowatt Count	Consumer	2009	Final	-	-	-	3	3	3	3	14
41	High Performance	Business	2009	Final	-	-	-	2	2	2	2	10
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	112	-	-	-	112
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	76	-	-	-	76
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	109	-	-	-	109
47	Loblaw & York Region	Business, Industrial	2009	Final	-	-	-	19	-	-	-	19
107	High Performance	Business	2010	Final	-	-	-	-	8	8	8	24
109	Multifamily Energy Efficiency	Business	2010	Final	-	-	-	-	0	0	0	0
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	155	-	-	155
113	Loblaw & York Region	Business, Industrial	2010	Final	-	-	-	-	18	-	-	18
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	73	-	-	73
					324	419	444	384	322	75	73	2,040

# Table Four - OPA Results Net kW Adjusted to April 30, 2012

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigeration	Consumer	2006	Final	1	1	1	1	1	1	-	5
2	Cool & Hot Savings	Consumer	2006	Final	8	8	8	8	8	8	3	59
3	Every Kilowatt Count	Consumer	2006	Final	3	3	3	3	3	3	1	20
4	Demand Response 1	Business, Industrial	2006	Final	297	-	-	-	-	-	-	297
5	Loblaws & York Region	Business, Industrial	2006	Final	15	-	-	-	-	-	-	15
7	Cool & Hot Savings	Consumer	2007	Final	-	10	10	10	10	10	3	59
8	Every Kilowatt Count	Consumer	2007	Final	-	3	3	3	3	3	1	19
10	Summer Savings	Consumer	2007	Final	-	50	15	7	7	7	2	94
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	1	1	1	1	1	0	6
17	Demand Response 1	Business, Industrial	2007	Final	-	316	-	-	-	-	-	316
18	Loblaws & York Region	Business, Industrial	2007	Final	-	26	-	-	-	-	-	26
20	Great Refrigerator Rebate	Consumer	2008	Final	-	-	1	1	1	1	0	4
21	Cool Savings Rebate	Consumer	2008	Final	-	-	10	10	10	10	3	49
22	Every Kilowatt Count	Consumer	2008	Final	-	-	4	4	4	4	1	20
27	High Performance	Business	2008	Final	-	-	0	0	0	0	0	1
29	Demand Response 1	Business, Industrial	2008	Final	-	-	308	-	-	-	-	308
30	Demand Response 3	Business, Industrial	2008	Final	-	-	60	-	-	-	-	60
31	Loblaws & York Region	Business, Industrial	2008	Final	-	-	20	-	-	-	-	20
35	Great Refrigerator Rebate	Consumer	2009	Final	-	-	-	0	0	0	0	1
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	13	13	13	4	51
37	Every Kilowatt Count	Consumer	2009	Final	-	-	-	3	3	3	1	14
41	High Performance	Business	2009	Final	-	-	-	2	2	2	1	10
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	112	-	-	-	112
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	76	-	-	-	76
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	109	-	-	-	109
47	Loblaws & York Region	Business, Industrial	2009	Final	-	-	-	19	-	-	-	19
107	High Performance	Business	2010	Final	-	-	-	-	8	8	3	24
109	Multifamily Energy Efficiency	Business	2010	Final	-	-	-	-	0	0	0	0
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	155	-	-	155
113	Loblaws & York Region	Business, Industrial	2010	Final	-	-	-	-	18	-	-	18
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	73	-	-	73
					324	419	444	384	322	75	24	2,040

## Output Tables LRAM Calculations

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1. Table Five Residential LRAM Calculation
2. Table Six GS Less Than 50 kW LRAM Calculation
3. Table Seven GS 50 to 4,999 kW LRAM Calculation

# Table Five - Residential LRAM Calculation

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
1	Secondary Refrigerator Retirement Pilot	Consumer	2006	Final	3,703	3,703	3,703	3,703	3,703	3,703	-	22,218
2	Cool & Hot Savings Rebate	Consumer	2006	Final	9,141	9,141	9,141	9,141	9,141	9,141	3,047	63,989
3	Every Kilowatt Counts	Consumer	2006	Final	237,194	237,194	237,194	237,194	30,582	30,582	10,194	1,040,521
7	Cool & Hot Savings Rebate	Consumer	2007	Final	-	15,038	15,038	15,038	15,038	15,038	4,775	89,516
8	Every Kilowatt Counts	Consumer	2007	Final	-	90,146	89,043	89,043	89,043	89,043	28,667	532,320
10	Summer Savings	Consumer	2007	Final	-	89,717	15,122	5,724	5,724	5,724	1,908	127,734
13	Social Housing Pilot	Consumer Low-Income	2007	Final	-	8,193	8,193	8,193	8,193	8,193	2,731	49,159
20	Great Refrigerator Roundup	Consumer	2008	Final	-	-	7,080	7,080	7,080	7,080	2,360	35,402
21	Cool Savings Rebate	Consumer	2008	Final	-	-	15,392	15,392	15,392	15,392	5,131	76,960
22	Every Kilowatt Counts Power Savings Event	Consumer	2008	Final	-	-	78,133	77,793	77,793	77,793	22,009	377,542
35	Great Refrigerator Roundup	Consumer	2009	Final	-	-	-	909	909	909	303	3,637
36	Cool Savings Rebate	Consumer	2009	Final	-	-	-	19,463	19,463	19,463	6,465	77,782
37	Every Kilowatt Counts Power Savings Event	Consumer	2009	Final	-	-	-	33,843	32,439	32,439	10,812	131,157
102	Every Kilowatt Counts Power Savings Event	Consumer	2010	Final	-	-	-	-	11,852	11,852	3,951	35,557
103	Great Refrigerator Roundup	Consumer	2010	Final	-	-	-	-	2,976	2,976	992	8,927
					250,038	453,132	478,040	522,517	329,329	329,329	103,345	2,672,420
Residential Distribution Volumetric Rate					\$/kWh	0.0095	0.0101	0.0101	0.0102	0.0102	0.0156	0.0156
LRAM					\$ 2,375.36	\$ 4,576.63	\$ 4,828.20	\$ 5,329.68	\$ 3,359.15	\$ 5,137.53	\$ 1,612.19	\$ 27,218.74

# Table Six - GS Less Than 50 kW LRAM Calculation

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
27	High Performance New Construction	Business	2008	Final	-	-	201	201	201	201	67	1,006
41	High Performance New Construction	Business	2009	Final	-	-	-	5,678	5,678	5,678	1,893	22,710
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	4,940	-	-	-	4,940
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	47,027	-	-	-	47,027
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	898	-	-	-	898
107	High Performance New Construction*	Business	2010	Final	-	-	-	-	18,139	18,139	6,046	54,418
109	Multifamily Energy Efficiency Rebates	Business	2010	Final	-	-	-	-	1,868	1,868	623	5,603
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	3,040	-	-	3,040
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	85,726	-	-	85,726
					-	-	201	58,744	114,651	25,886	8,629	225,369
	GSLT50 Distribution Volumetric Rate	\$/kWh			0.0094	0.0096	0.0096	0.0097	0.0097	0.0066	0.0066	
	LRAM				\$ -	\$ -	\$ 1.93	\$ 569.82	\$ 1,112.12	\$ 170.85	\$ 56.95	\$ 1,911.66



# Table Seven - GS 50 to 2,999 kW LRAM Calculation

#	Initiative Name	Program Name	Program Year	Results Status	2006	2007	2008	2009	2010	2011	2012	Total
4	Demand Response 1	Business, Industrial	2006	Final	297	-	-	-	-	-	-	297
5	Loblaw & York Region Demand Response	Business, Industrial	2006	Final	15	-	-	-	-	-	-	15
17	Demand Response 1	Business, Industrial	2007	Final	-	316	-	-	-	-	-	316
18	Loblaw & York Region Demand Response	Business, Industrial	2007	Final	-	26	-	-	-	-	-	26
27	High Performance New Construction	Business	2008	Final	-	-	0	0	0	0	0	1
29	Demand Response 1	Business, Industrial	2008	Final	-	-	308	-	-	-	-	308
30	Demand Response 3	Business, Industrial	2008	Final	-	-	60	-	-	-	-	60
31	Loblaw & York Region Demand Response	Business, Industrial	2008	Final	-	-	20	-	-	-	-	20
41	High Performance New Construction	Business	2009	Final	-	-	-	2	2	2	1	10
44	Demand Response 1	Business, Industrial	2009	Final	-	-	-	112	-	-	-	112
45	Demand Response 2	Business, Industrial	2009	Final	-	-	-	76	-	-	-	76
46	Demand Response 3	Business, Industrial	2009	Final	-	-	-	109	-	-	-	109
47	Loblaw & York Region Demand Response	Business, Industrial	2009	Final	-	-	-	19	-	-	-	19
107	High Performance New Construction*	Business	2010	Final	-	-	-	-	8	8	3	24
109	Multifamily Energy Efficiency Rebates	Business	2010	Final	-	-	-	-	0	0	0	0
112	Demand Response 3	Business, Industrial	2010	Final	-	-	-	-	155	-	-	155
113	Loblaw & York Region Demand Response*	Business, Industrial	2010	Final	-	-	-	-	18	-	-	18
114	Demand Response 2	Business, Industrial	2010	Final	-	-	-	-	73	-	-	73
					<b>311</b>	<b>342</b>	<b>388</b>	<b>319</b>	<b>257</b>	<b>11</b>	<b>4</b>	<b>1,640</b>
GSGT50 Distribution Volumetric Rate		\$/kWh										
					2.8938	2.9601	2.969	2.9926	2.9926	2.7945	2.7945	
LRAM												
					<b>\$ 901.24</b>	<b>\$ 1,011.87</b>	<b>\$ 1,152.85</b>	<b>\$ 955.59</b>	<b>\$ 770.01</b>	<b>\$ 30.30</b>	<b>\$ 10.10</b>	<b>\$ 4,831.96</b>



## **Exhibit 1**

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### **Tab 3 of 3**

## **Elenchus Personnel**

# Elenchus Regulatory Solutions Consultants

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## **John Todd, President (Lead Consultant)**

John Todd is President of Elenchus Research Associates Inc. He has specialized in the theory and practice of regulation and de-regulation for over 25 years and has actively participated in regulatory hearings and reform initiatives in several sectors of the Canadian economy, including natural gas, electricity and telecommunications.

John has served as an expert advisor or witness in 200 proceedings before the energy Boards in Ontario, Manitoba, British Columbia, Quebec, and Newfoundland and other tribunals including the Canadian Radio-television and Telecommunications Commission (CRTC) and the Ontario Securities Commission. His clients have included regulated utilities, regulatory agencies, generators and producers, and a variety of customer groups.

## **Martin Benum, Senior Consultant (Rate Applications)**

Martin has over twenty years progressive experience in the Ontario electrical industry with regulatory, LDC and Retail electricity exposure. Prior to joining Elenchus, he was an advisor in electricity rate applications with the Ontario Energy Board. He has a strong working knowledge and application experience with OEB handbook rules, regulations, and guidelines.

## **Marc Collins – Director, Elenchus Energy Conservation**

Energy Program Evaluation and Conservation and Demand-Side Management (CDM) professional with a very diverse career history. Founding Director of the Evaluation, Measurement and Verification (EM&V) department at the Ontario Power Authority in 2007. Marc led that function for the OPA from inception to maturity, leaving sophisticated evaluation protocols (new for 2011-14), world-class measures and assumptions lists and a portfolio of high-quality evaluations to show for the effort.

Specialties:

Energy program evaluation (EM&V)

- Planning and management



- 1 - Protocols and standards
- 2 - Impact evaluation
- 3 - Process evaluation
- 4 - Market effects evaluation
- 5 - Cost effectiveness testing
- 6 Demand-side management programs
- 7 Demand response programs
- 8 Use of advanced IT for energy-related applications
- 9 Regulatory aspects of EM&V and DSM tracking and reporting for utilities and central agencies
- 10 Potential studies
- 11

# Retail Transmission Service Rates

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

The Board expects distributors to adjust their RTSRs based on a comparison of historical transmission costs adjusted for new UTR levels and revenues generated from existing RTSRs. This approach is expected to minimize variances in USoA Account 1584 and 1586. A filing module was prepared by Board staff and provided to distributors to assist in calculating the distributor’s and rate class specific RTSRs. The filing module reflects the most recent Uniform Transmission Rates approved by the Board (EB-2010-0002), issued on January 18, 2011 and effective January 1, 2011. Once the January 1, 2012 UTR adjustments are determined, the Board is expected to adjust the distributor’s 2012 IRM rate application model to incorporate this change, if applicable. This approach reflects the revised Guideline for Electricity Distribution Retail Transmission Service Rates, dated June 22, 2011.

Hearst Power has used the 2012 RSTR Workform to adjust rates for the impact of Retail Transmission Service cost changes.

The following rates have been input into the 2012 Rate Generator.

<b>Rate Class</b>	<b>Unit</b>	<b>Proposed RTSR Network</b>	<b>Proposed RTSR Connection</b>
<b>Residential</b>	<b>kWh</b>	<b>\$ 0.0053</b>	<b>\$ 0.0044</b>
<b>General Service Less Than 50 kW</b>	<b>kWh</b>	<b>\$ 0.0048</b>	<b>\$ 0.0040</b>
<b>General Service 50 to 1,499 kW</b>	<b>kW</b>	<b>\$ 1.9983</b>	<b>\$ 1.5826</b>
<b>Intermediate With Self Generation</b>	<b>kW</b>	<b>\$ 2.2350</b>	<b>\$ 1.8666</b>
<b>Sentinel Lighting</b>	<b>kW</b>	<b>\$ 1.5147</b>	<b>\$ 1.2376</b>
<b>Street Lighting</b>	<b>kW</b>	<b>\$ 1.5070</b>	<b>\$ 1.2124</b>

1  
2

3 As calculated in the RTSR Adjustment Workform model, Hearst Power has adjusted its RTSRs  
4 based on a comparison of historical transmission costs for new UTR levels and revenues  
5 generated from existing RTSRs. The RTSR Adjustment Workform model calculates the  
6 expected billing for 2011 by taking the forecasted 2011 UTR applied against historical (2010)  
7 transmission units. Based on the calculations Hearst Power proposes an increase of 2.1% in the  
8 Network Transmission Rates and an increase of 0.0% in the Line and Transformation  
9 Connection Service Rates. The adjustments to current RTSRs have been incorporated into the  
10 2012 IRM3 Rate Generator Model.

11

12 The forecasted 2012 RTSRs are calculated using the current 2011 UTRs. Hearst Power  
13 understands that the Board will adjust the RTSRs in each distributor's rate application model  
14 after the actual UTRs are determined.

15

16 Hearst Power acknowledges that the Uniform Transmission Rates ("UTR") percentage in the  
17 RTSR Workform will be updated by the Board when the 2012 UTR adjustment is determined.

18

# Smart Meter Funding Adder

---

In 2008 the Board issued Guidelines (G-2008-0002) (“Smart Meter Guideline”) pertaining to smart meter funding and cost recovery. These guidelines provisioned for a smart meter funding adder, as well as two variance accounts for distributors to record smart meter expenditures and revenues collected through the smart meter funding adder.

The smart meter funding adder was designed as a tool to provide advance funding and to mitigate the anticipated rate impact of smart meter costs when recovery of those costs are approved by the Board. As of May 2011, 4.6 million or 98% of meters have been installed province-wide. With deployment nearing completion, the Board has stated in previous decisions that it expects distributors to file for a final prudence review at the earliest possible opportunity following the availability of audited costs. The Board also approved a sunset date of April 30, 2012 for the smart meter funding adder for most distributors in their 2011 rate application.

Smart meter capital and operating costs will affect a distributor’s rate base and revenue requirement. Under the existing IRM framework, there is no re-evaluation of rate base or of the revenue requirement for the purpose of setting distribution rates. A distributor seeking a prudence review of smart meter costs during the IRM plan term shall file a separate smart meter cost recovery application. A distributor filing a stand-alone smart meter cost recovery application must comply with the Smart Meter Guideline or any further updates to it.

1 Hearst Power's Smart Meter Funding Adder of \$2.50 expires as of April 30, 2012.  
2 Hearst Power completed its Smart Meter installations and plans to file an application  
3 with the Board for final disposition in 2012.

4

5 Accordingly, no Smart Meter Rate riders or adders are proposed as part of the current  
6 IRM application.

7



# 1 Renewable Generation 2 Connection/Smart Grid Funding Adder 3

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4 The Filing Requirements: Distribution System Plans - Filing under Deemed Conditions of  
5 Licence (EB-2009-0397) issued on March 25, 2010 recognized that distributors may need  
6 additional funding for expenditures proposed in a GEA Plan between cost-of-service  
7 applications. For 2012 IRM applications, distributors may request the following:

- 8 • Renewable Generation Connection Funding Adder; and
- 9 • Smart Grid Funding Adder.

10  
11 When a distributor seeks a funding adder, the distributor is expected to provide sufficient  
12 information to allow the Board to assess the need for the mechanism and the nature and  
13 quantum of the costs to be collected from ratepayers and the basis for calculating the funding  
14 adder. The costs recovered through the funding adder will be subject to a prudence review in  
15 the first cost of service application following the implementation of the funding

16  
17 The Renewable Generation Connection and /or Smart Grid expenditures currently planned by  
18 Hearst Power do not meet the materiality thresholds established by the Board in EB-2009-0397.  
19 Accordingly, Hearst Power has no such rate adders proposed as part of the current IRM  
20 application. Hearst Power intends to file for this adder in future rate applications at such time as  
21 the materiality thresholds are met.

22

23

# **Exhibit 1**

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## **Tab 3 of 3**

# **Deferral and Variance Disposition**

# EDDVAR Group 1 Accounts

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The Report of the Board on Electricity Distributors' Deferral and Variance Account Review Report (the "EDDVAR Report") provides that during the IRM plan term, the distributor's Group 1 audited account balances will be reviewed and disposed if the preset disposition threshold of \$0.001 per kWh (debit or credit) is exceeded. The onus is on the distributor to justify why any account balance in excess of the threshold should not be disposed.

Group 1 consists of the following USoA accounts:

- 1550 Low Voltage Account;
- 1580 RSVA Wholesale Market Service Charge Account;
- 1584 RSVA Retail Transmission Network Charges Account;
- 1586 RSVA Retail Transmission Connection Charge Account;
- 1588 RSVA Power (Including Global Adj. Sub a/c) Account;
- 1590 Recovery of Regulatory Asset Balances Account; and
- 1595 Disposition and Recovery of Regulatory Balances Account.

Sheet "10. Billing Det. for Def\_Var" of the 2012 IRM Rate Generator calculates the threshold value for Hearst Power's proposed disposition. The threshold value calculated for Hearst Power is a credit of \$0.008 per kWh which is in excess of the preset disposition threshold. Hearst Power hereby proposes to dispose of its Group One accounts principal balances as of December 31, 2010 with interest to the date of April 30, 2012 disposition as detailed below:

## Request for Disposition of Group One Deferral Variance Accounts as of April 30, 2012

	Principal	Interest	Total
1580 - RSVA - Wholesale Market Service Charge	\$(160,762.76)	\$(10,432.95)	\$(171,195.71)
1584 - RSVA - Retail Transmission Network Charge	\$19,024.28	\$(1,236.75)	\$17,787.53
1586 - RSVA - Retail Transmission Connection Charge	\$(156,187.46)	\$(11,684.01)	\$(167,871.47)
1588 - RSVA - Power (excluding Global Adjustment)	\$(279,766.85)	\$(89,959.66)	\$(369,726.51)
1590 - Recovery of Regulatory Asset Balances	\$(13,531.09)	\$9,317.73	\$(4,213.36)
Total	\$(591,223.88)	\$(103,995.64)	\$(695,219.52)
1 1588 - RSVA - Power - Sub-Account - Global Adjustment	\$70,678.20	\$4,353.49	\$75,031.69

1  
2  
3  
4  
5  
6

Hearst Power has included these values in sheet "9. 2012 Cont. Sched. Def\_Var" of the 2012 Rate Generator. These values have been combined with the disposition of USoA accounts 1521 and 1562, discussed in subsequent sections Schedule 2 and Schedule 3.

# 1 Special Purpose Charge

2

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3 The Board authorized Account 1521, Special Purpose Charge Assessment Variance  
4 Account in accordance with Section 8 of Ontario Regulation 66/10 (Assessments for  
5 Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs)  
6 (the “SPC Regulation”). Accordingly, any difference between (a) the amount remitted to the  
7 Minister of Finance for the distributor’s SPC assessment; and (b) the amounts recovered  
8 from customers on account of the assessment is to be recorded in “Sub-account 2010 SPC  
9 Assessment Variance” of Account 1521.

10

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

14

15 The Board stated it expects that requests for disposition of the balance in “Sub-account  
16 2010 SPC Assessment Variance” and associated carrying charges to be addressed as part  
17 of the proceedings to set rates for the 2012 rate year.

18

19 Hearst Power notes that for Special Purpose Charge, the 2012 IRM 3 Rate Generator does  
20 not permit input of amounts collected beyond December 31, 2010. However, consistent  
21 with its rate year structure, Hearst Power continued to collect the Special Purpose Charge  
22 through rates from January 1, 2011 until April 30, 2011 when this rider was  
23 discontinued. The total amount collected in 2011 was \$23,027. In order to reflect the  
24 amount billed in 2011 and appropriately reduce the future amount to be recovered, Hearst  
25 Power has adjusted for the \$23,027 in 2011 billings in the “Other Adjustments during Q4

1 2010” column of the 2010 deferral reconciliation in the 2012 IRM 3 Rate  
2 Generator. Accordingly, the amount to be disposed does not reconcile to the 2010 RRR  
3 filing by a difference of \$17,482.81.

4

5 Therefore Hearst Power proposes the following disposition for Account 1521, Special  
6 Purpose Charge Assessment Variance Account is:

7

**Request For Disposition of Account 1521, Special Purpose Charge  
Assessment Variance Account**

Principal as of April 30, 2012

**\$(5,675.44)**

Interest as of April 30, 2012

\$295.26

8

Amount requested for Disposition of Account 1521, Special Purpose Charge Assessment Variance Account

**\$(5,380.18)**

# Disposition of Account 1562

---

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

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

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

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

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

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

23   Hearst Power confirms the following:

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



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

18   Hearst Power further notes the following:

19           **Model Revisions**

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

## Request for Disposition of 1562 Balance

Principal as of April 30, 2012	1,495
Interest as of April 30, 2012	561
1 Amount Requested for Disposition of 1562 Balance	<u>2,056</u>

# 1 Deferral and Variance Account

## 2 Disposition

3

---

4 Hearst Power has determined that the total value for disposition of its Group One  
5 Deferral Variance Account Balances as of December 31, 2010 including Account 1521,  
6 Special Purpose Charge Assessment Variance Account and Account 1562 deferred  
7 PILs plus interest to April 30, 2012 is a credit balance of \$698,544.

8

9 Hearst Power is requesting that this amount be disposed of over a period of four years  
10 to allow smoothing of rate impacts by avoiding a large fluctuation in rates when this rate  
11 rider is terminated. Therefore Hearst Power is requesting that the rate rider be effective  
12 until April 30, 2016.

13

14 Hearst Power hereby request the following rate riders for Deferral Variance Account  
15 Disposition

### 16 Rate Rider for Deferral/Variance Account Disposition (2012)

Effective Until April 30, 2016

Rate Class	Group 1	1521	1562	Total	Rate Rider
Residential	\$(237,480)	\$(1,838)	\$1,183	\$(238,134)	\$(0.0024)
General Service Less Than 50 kW	\$(108,545)	\$(840)	\$311	\$(109,074)	\$(0.0024)
General Service 50 to 1,499 kW	\$(167,710)	\$(1,298)	\$320	\$(168,687)	\$(0.8535)
Intermediate With Self Generation	\$(171,799)	\$(1,330)	\$122	\$(173,006)	\$(0.7289)
Sentinel Lighting	\$(189)	\$(1)	\$2	\$(188)	\$(0.7289)
Street Lighting	\$(9,498)	\$(73)	\$118	\$(9,453)	\$(0.7643)
Total	\$(695,220)	\$(5,380)	\$2,056	\$(698,544)	

1 Hearst Power has determined that the total value for disposition of its 1588 Global  
2 Adjustment Sub-Account applicable to Non-RPP customers as of December 31, 2010  
3 plus interest to April 30, 2012 is a debit balance of \$75,032.

4  
5 Hearst Power is requesting that this amount be disposed of over a period of one year.  
6 Therefore Hearst Power is requesting that the rate rider be effective until April 30, 2013.

7  
8 Hearst Power is requesting that this amount be recovered on the basis of billed kWh.

9  
10 Hearst Power hereby requests the following Rate Rider for Global Adjustment Sub-  
11 Account Disposition - Applicable only for Non-RPP Customers:

### **Rate Rider for Global Adjustment Sub-Account Disposition**

#### **– Applicable only for Non-RPP Customers**

**Effective Until April 30, 2013**

<b>Rate Class</b>	<b>Non-RPP kWh</b>	<b>1588</b>	<b>Rate Rider (per kWh)</b>
Residential	1,577,596	\$3,086	\$0.0020
General Service Less Than 50 kW	1,116,135	\$2,183	\$0.0020
General Service 50 to 1,499 kW	16,326,499	\$31,936	\$0.0020
Intermediate With Self Generation	18,248,907	\$35,697	\$0.0020
Sentinel Lighting	0	\$0	\$0.0000
Street Lighting	1,088,852	\$2,130	\$0.0020
<b>Total</b>	<b>38,357,989</b>	<b>\$75,032</b>	

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 2

# **Exhibit 2**

# **RATE APPLICATION MODELS**

## **Exhibit 2**

---

**Tab 1 of 1**

# **Rate Application Models**

## Appendix 1 of 5

## Rate Generator



Choose Your Utility:

Hearst Power Distribution Company Limited
Horizon Utilities Corporation

Application Type: IRM3

OEB Application #: EB-2011-0171

LDC Licence #: ED-2002-0533

Application Contact Information

Name: Steven Blier

Title: General Manager

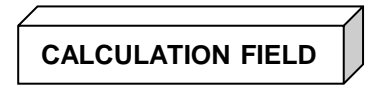
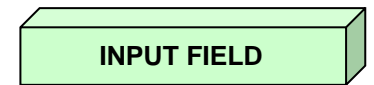
Phone Number: (705) 372-2815

Email Address: sblier@hearstpower.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



Copyright

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

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







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Ontario Energy Board

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Hearst Power Distribution Company Limited - EB-2011-0171

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
<b>Residential</b>			
Service Charge	\$	9.00	
Smart Meter Funding Adder	\$	2.50	April 30, 2012
Rate Rider for Foregone Revenue Recovery	\$	0.24	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	0.30	April 30, 2012
<b>General Service Less Than 50 kW</b>			
Service Charge	\$	19.50	
Smart Meter Funding Adder	\$	2.50	April 30, 2012
Rate Rider for Foregone Revenue Recovery	\$	2.24	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	0.54	April 30, 2012
<b>General Service 50 to 1,499 kW</b>			
Service Charge	\$	66.00	
Smart Meter Funding Adder	\$	2.50	April 30, 2012
Rate Rider for Foregone Revenue Recovery	\$	5.63	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	5.35	April 30, 2012
<b>Intermediate With Self Generation</b>			
Service Charge	\$	220.00	
Smart Meter Funding Adder	\$	2.50	April 30, 2012
Rate Rider for Foregone Revenue Recovery	\$	25.06	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	26.28	April 30, 2012
<b>Sentinel Lighting</b>			
Service Charge	\$	7.00	
Rate Rider for Foregone Revenue Recovery	\$	0.46	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	0.16	April 30, 2012
<b>Street Lighting</b>			
Service Charge	\$	5.50	
Rate Rider for Foregone Revenue Recovery	\$	0.69	April 30, 2012
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	\$	0.02	April 30, 2012





Ontario Energy Board

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Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171

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	0.01560
General Service Less Than 50 kW	\$/kWh	0.00660
General Service 50 to 1,499 kW	\$/kW	2.79450
Intermediate With Self Generation	\$/kW	1.00770
Sentinel Lighting	\$/kW	3.07780
Street Lighting	\$/kW	1.60270





Hearst Power Distribution Company Limited - EB-2011-0171

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
<b>Residential</b>			
Low Voltage Service Rate	\$/kWh	0.00070	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	\$/kWh	0.00510	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	\$/kWh	(0.00430)	April 30, 2013
Rate Rider for Recovery of Foregone Revenue	\$/kWh	0.00090	April 30, 2012
<b>General Service Less Than 50 kW</b>			
Low Voltage Service Rate	\$/kWh	0.00060	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	\$/kWh	0.00510	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	\$/kWh	(0.00400)	April 30, 2013
Rate Rider for Recovery of Foregone Revenue	\$/kWh	(0.00040)	April 30, 2012
<b>General Service 50 to 1,499 kW</b>			
Low Voltage Service Rate	\$/kW	0.22700	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	\$/kW	0.00510	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	\$/kW	(1.38890)	April 30, 2013
Rate Rider for Recovery of Foregone Revenue	\$/kW	0.00790	April 30, 2012
<b>Intermediate With Self Generation</b>			
Low Voltage Service Rate	\$/kW	0.26770	
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers	\$/kW	0.00510	April 30, 2012
Rate Rider for Deferral/Variance Account Disposition (2010)	\$/kW	(1.22680)	April 30, 2013

Rate Rider for Recovery of Foregone Revenue      \$/kW      0.06710      April 30, 2012

Table with 10 empty rows, alternating light blue and light green background colors.

**Sentinel Lighting**

Low Voltage Service Rate      \$/kW      0.17910  
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers      \$/kW      0.00510      April 30, 2012  
Rate Rider for Deferral/Variance Account Disposition (2010)      \$/kW      (5.52140)      April 30, 2013  
Rate Rider for Recovery of Foregone Revenue      \$/kW      0.21110      April 30, 2012

Table with 10 empty rows, alternating light blue and light green background colors.

**Street Lighting**

Low Voltage Volumetric Rate      \$/kW      0.17550  
Rate Rider for Global Adjustment Sub-Account Disposition – Applicable only for Non-RPP Customers      \$/kW      0.00510      April 30, 2012  
Rate Rider for Deferral/Variance Account Disposition (2010)      \$/kW      (3.13320)      April 30, 2013  
Rate Rider for Recovery of Foregone Revenue      \$/kW      0.07720      April 30, 2012

Table with 10 empty rows, alternating light blue and light green background colors.





Ontario Energy Board

**3<sup>RD</sup> Generation Incentive  
Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171

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
<b>Residential</b>		
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00520
<b>General Service Less Than 50 kW</b>		
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00470
<b>General Service 50 to 1,499 kW</b>		
Retail Transmission Rate – Network Service Rate	\$/kW	1.95630
<b>Intermediate With Self Generation</b>		
Retail Transmission Rate – Network Service Rate	\$/kW	2.18800
<b>Sentinel Lighting</b>		
Retail Transmission Rate – Network Service Rate	\$/kW	1.48290
<b>Street Lighting</b>		
Retail Transmission Rate – Network Service Rate	\$/kW	1.47530



















Ontario Energy Board

**3<sup>RD</sup> Generation Incentive Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171

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
<b>Residential</b>		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.00440
<b>General Service Less Than 50 kW</b>		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.00400
<b>General Service 50 to 1,499 kW</b>		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.58610
<b>Intermediate With Self Generation</b>		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.87080
<b>Sentinel Lighting</b>		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.24040
<b>Street Lighting</b>		
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.21510



















Ontario Energy Board  
3<sup>RD</sup> Generation Incentive  
Regulation Model

Hearst Power Distribution Company Limited - EB-2011-0171

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.

Account Descriptions	Account Number	2005									
		Opening Principal Amounts as of Jan-1-05	Transactions Debit / (Credit) during 2005 excluding interest and adjustments <sup>5</sup>	Board-Approved Disposition during 2005	Adjustments during 2005 - other <sup>3</sup>	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 <sup>3</sup>	Closing Interest Amounts as of Dec-31-05
<b>Group 1 Accounts</b>											
LV Variance Account	1550					\$ -					\$ -
RSVA - Wholesale Market Service Charge	1580	\$ 42,601	\$ 31,727			\$ 74,328	-\$ 125	\$ 243			\$ 118
RSVA - Retail Transmission Network Charge	1584	-\$ 200,313	-\$ 75,089			-\$ 275,402	-\$ 368	-\$ 450			-\$ 818
RSVA - Retail Transmission Connection Charge	1586	-\$ 131,279	-\$ 50,745			-\$ 182,024	-\$ 215	-\$ 303			-\$ 518
RSVA - Power (excluding Global Adjustment)	1588	-\$ 400,185	-\$ 292,727			-\$ 692,913	-\$ 39,471				-\$ 39,471
RSVA - Power - Sub-Account - Global Adjustment	1588		\$ 5,696			\$ 5,696	-\$ 1,419				-\$ 1,419
Recovery of Regulatory Asset Balances	1590	\$ 33,946	\$ 147,114			\$ 181,060	\$ 6,111				\$ 6,111
Disposition and Recovery of Regulatory Balances (2008) <sup>7</sup>	1595					\$ -					\$ -
Disposition and Recovery of Regulatory Balances (2009) <sup>7</sup>	1595					\$ -					\$ -
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 655,231	-\$ 234,025	\$ -	\$ -	-\$ 889,256	-\$ 708	-\$ 35,288	\$ -	\$ -	-\$ 35,996
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 655,231	-\$ 239,721	\$ -	\$ -	-\$ 894,952	-\$ 708	-\$ 33,869	\$ -	\$ -	-\$ 34,577
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	\$ -	\$ 5,696	\$ -	\$ -	\$ 5,696	\$ -	\$ 1,419	\$ -	\$ -	-\$ 1,419
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>										
<b>Deferred Payments in Lieu of Taxes</b>	<b>1562</b>										
<b>Group 1 Total + 1521 + 1562</b>		-\$ 655,231	-\$ 234,025	\$ -	\$ -	-\$ 889,256	-\$ 708	-\$ 35,288	\$ -	\$ -	-\$ 35,996
<b>The following is not included in the total claim but are included on a memo basis:</b>											
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 <sup>7</sup>	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.**

<sup>1</sup> Applicants may wish to propose kWh as the allocator for account 1521 pending a final decision of the Board  
<sup>2</sup> Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, etc.  
<sup>2A</sup> 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.  
<sup>3</sup> 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.  
<sup>4</sup> Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28 and 29.  
<sup>5</sup> For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions during the year.  
<sup>6</sup> 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 interest 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.  
<sup>7</sup> 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).



Please complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521 and other notes and further instructions.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 EDR process is the date of approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the December 31, 2011 adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for entries requiring entries dating back to the beginning of the continuity schedule i.e. 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 <sup>5</sup>	Board-Approved Disposition during 2006 <sup>2, 2A</sup>	Adjustments during 2006 - other <sup>3</sup>	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 <sup>2, 2A</sup>	Adjustments during 2006 - other <sup>3</sup>	Closing Interest Amounts as of Dec-31-06	
<b>Group 1 Accounts</b>												
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -	
RSVA - Wholesale Market Service Charge	1580	\$ 74,328	-\$ 129,442	\$ 42,602		\$ 97,715	\$ -	\$ 1,769	-\$ 281		\$ 2,167	
RSVA - Retail Transmission Network Charge	1584	-\$ 275,402	-\$ 13,425	-\$ 200,314		-\$ 88,513	-\$ 818	-\$ 7,516	-\$ 1,104		-\$ 7,230	
RSVA - Retail Transmission Connection Charge	1586	-\$ 182,024	-\$ 48,736	-\$ 131,279		-\$ 99,482	-\$ 518	-\$ 5,136	-\$ 841		-\$ 4,813	
RSVA - Power (excluding Global Adjustment)	1588	-\$ 692,913	\$ 28,821	-\$ 399,054		-\$ 265,038	-\$ 39,471	-\$ 22,773	-\$ 3,748		-\$ 58,496	
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 5,696	\$ 50,038			\$ 55,734	\$ -	\$ 1,705			\$ 286	
Recovery of Regulatory Asset Balances	1590	\$ 181,060	\$ 205,262	\$ 601,620		-\$ 215,298	\$ 6,111	-\$ 3,398			\$ 2,714	
Disposition and Recovery of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	
Disposition and Recovery of Regulatory Balances (2009) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 889,256	\$ 92,518	-\$ 86,425	\$ -	-\$ 710,313	-\$ 35,996	-\$ 35,350	-\$ 5,974	\$ -	-\$ 65,372	
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 894,952	\$ 42,480	-\$ 86,425	\$ -	-\$ 766,046	-\$ 34,577	-\$ 37,055	-\$ 5,974	\$ -	-\$ 65,658	
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	\$ 5,696	\$ 50,038	\$ -	\$ -	\$ 55,734	\$ 1,419	\$ 1,705	\$ -	\$ -	\$ 286	
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>											
<b>Deferred Payments in Lieu of Taxes</b>	<b>1562</b>					\$ 1,495		\$ 561			\$ 561	
<b>Group 1 Total + 1521 + 1562</b>		-\$ 889,256	\$ 92,518	-\$ 86,425	\$ -	-\$ 708,818	-\$ 35,996	-\$ 34,789	-\$ 5,974	\$ -	-\$ 64,811	
<b>The following is not included in the total claim but are included on a memo basis:</b>												
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 <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (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 the adjustments. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28-31. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28-31. For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transition from the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011. 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, 2012 on the December 31, 2010 balance adjusted for the disposed balances applicable to the period from May 1, 2011 to April 30, 2012. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, include support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include





Please complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521 and other notes and further instructions.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 schedule should be the date of the approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the December 31, 2011 adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for entries requiring entries dating back to the beginning of the continuity schedule i.e. Jan 1, 2005.

		2007										
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-07	Transactions Debit / (Credit) during 2007 excluding interest and adjustments <sup>5</sup>	Board-Approved Disposition during 2007	Adjustments during 2007 - other <sup>3</sup>	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 <sup>3</sup>	Closing Interest Amounts as of Dec-31-07	
<b>Group 1 Accounts</b>												
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -	
RSVA - Wholesale Market Service Charge	1580	-\$ 97,715	-\$ 78,884			-\$ 176,599	\$ 2,167	-\$ 4,901			-\$ 2,734	
RSVA - Retail Transmission Network Charge	1584	-\$ 88,513	\$ 36,193			-\$ 52,320	-\$ 7,230	-\$ 4,079			-\$ 11,309	
RSVA - Retail Transmission Connection Charge	1586	-\$ 99,482	-\$ 54,175			-\$ 153,656	-\$ 4,813	-\$ 4,919			-\$ 9,732	
RSVA - Power (excluding Global Adjustment)	1588	-\$ 265,038	-\$ 16,178			-\$ 281,216	-\$ 58,496	-\$ 12,966			-\$ 71,462	
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 55,734	\$ 13,219			\$ 68,953	\$ 286	\$ 2,682			\$ 2,968	
Recovery of Regulatory Asset Balances	1590	-\$ 215,298	\$ 123,958			-\$ 91,341	\$ 2,714	-\$ 7,842			-\$ 5,129	
Disposition and Recovery of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	
Disposition and Recovery of Regulatory Balances (2009) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 710,313	\$ 24,133	\$ -	\$ -	-\$ 686,179	-\$ 65,372	-\$ 32,025	\$ -	\$ -	-\$ 97,398	
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 766,046	\$ 10,914	\$ -	\$ -	-\$ 755,133	-\$ 65,658	-\$ 34,707	\$ -	\$ -	-\$ 100,365	
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	\$ 55,734	\$ 13,219	\$ -	\$ -	\$ 68,953	\$ 286	\$ 2,682	\$ -	\$ -	\$ 2,968	
<b>Special Purpose Charge Assessment Variance Account</b>												
	<b>1521</b>											
<b>Deferred Payments in Lieu of Taxes</b>												
	<b>1562</b>	\$ 1,495				\$ 1,495	\$ 561				\$ 561	
<b>Group 1 Total + 1521 + 1562</b>		-\$ 708,818	\$ 24,133	\$ -	\$ -	-\$ 684,684	-\$ 64,811	-\$ 32,025	\$ -	\$ -	-\$ 96,837	
<b>The following is not included in the total claim but are included on a memo basis:</b>												
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 <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (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 the adjustments. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28-30. For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transition from the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011. 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, 2012 on the December 31, 2010 balance adjusted for the disposed balances applicable to the period from May 1, 2011 to April 30, 2012. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, include support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include



Please complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521 and other notes and further instructions.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 schedule should be the date of the approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the December 31, 2011 adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for entries requiring entries dating back to the beginning of the continuity schedule i.e. Jan 1, 2005.

		2008										
Account Descriptions	Account Number	Opening Principal Amounts as of Jan-1-08	Transactions Debit / (Credit) during 2008 excluding interest and adjustments <sup>5</sup>	Board-Approved Disposition during 2008	Adjustments during 2008 - other <sup>3</sup>	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 <sup>3</sup>	Closing Interest Amounts as of Dec-31-08	
<b>Group 1 Accounts</b>												
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -	
RSVA - Wholesale Market Service Charge	1580	-\$ 176,599	-\$ 15,932			-\$ 192,531	-\$ 2,734	-\$ 7,292			-\$ 10,027	
RSVA - Retail Transmission Network Charge	1584	-\$ 52,320	-\$ 15,600			-\$ 67,920	-\$ 11,309	-\$ 2,496			-\$ 13,805	
RSVA - Retail Transmission Connection Charge	1586	-\$ 153,656	-\$ 79,056			-\$ 232,713	-\$ 9,732	-\$ 6,626			-\$ 16,358	
RSVA - Power (excluding Global Adjustment)	1588	-\$ 281,216	\$ 73,205			-\$ 208,011	-\$ 71,462	-\$ 9,980			-\$ 81,441	
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 68,953	\$ 1,481			\$ 67,472	\$ 2,968	\$ 2,705			\$ 5,673	
Recovery of Regulatory Asset Balances	1590	-\$ 91,341	\$ 31,205			-\$ 60,136	-\$ 5,129	\$ 11,080			\$ 5,951	
Disposition and Recovery of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	
Disposition and Recovery of Regulatory Balances (2009) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 686,179	-\$ 7,660	\$ -	\$ -	-\$ 693,839	-\$ 97,398	-\$ 12,609	\$ -	\$ -	-\$ 110,007	
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 755,133	-\$ 6,179	\$ -	\$ -	-\$ 761,311	-\$ 100,365	-\$ 15,315	\$ -	\$ -	-\$ 115,680	
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	\$ 68,953	-\$ 1,481	\$ -	\$ -	\$ 67,472	\$ 2,968	\$ 2,705	\$ -	\$ -	\$ 5,673	
<b>Special Purpose Charge Assessment Variance Account</b>												
	<b>1521</b>											
<b>Deferred Payments in Lieu of Taxes</b>												
	<b>1562</b>	\$ 1,495				\$ 1,495	\$ 561				\$ 561	
<b>Group 1 Total + 1521 + 1562</b>		-\$ 684,684	-\$ 7,660	\$ -	\$ -	-\$ 692,344	-\$ 96,837	-\$ 12,609	\$ -	\$ -	-\$ 109,446	
<b>The following is not included in the total claim but are included on a memo basis:</b>												
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 <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (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 v 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





Please complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521 and further instructions.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 schedule should be the date of the approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the December 31, 2011 adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for entries requiring entries dating back to the beginning of the continuity schedule i.e. 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 <sup>5</sup>	Board-Approved Disposition during 2009	Adjustments during 2009 - other <sup>3</sup>	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 <sup>3</sup>	Closing Interest Amounts as of Dec-31-09	
<b>Group 1 Accounts</b>												
LV Variance Account	1550	\$ -				\$ -	\$ -				\$ -	
RSVA - Wholesale Market Service Charge	1580	-\$ 192,531	-\$ 60,966			-\$ 253,497	-\$ 10,027	-\$ 2,814			-\$ 12,841	
RSVA - Retail Transmission Network Charge	1584	-\$ 67,920	-\$ 13,995			-\$ 81,916	-\$ 13,805	-\$ 984			-\$ 14,789	
RSVA - Retail Transmission Connection Charge	1586	-\$ 232,713	-\$ 91,357			-\$ 324,070	-\$ 16,358	-\$ 3,552			-\$ 19,909	
RSVA - Power (excluding Global Adjustment)	1588	-\$ 208,011	-\$ 140,857			-\$ 348,868	-\$ 81,441	-\$ 3,510			-\$ 84,951	
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 67,472	\$ 107,293			\$ 174,765	\$ 5,673	\$ 1,392			\$ 7,065	
Recovery of Regulatory Asset Balances	1590	-\$ 60,136				-\$ 60,136	\$ 5,951	-\$ 638			\$ 5,314	
Disposition and Recovery of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	
Disposition and Recovery of Regulatory Balances (2009) <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 693,839	-\$ 199,882	\$ -	\$ -	-\$ 893,721	-\$ 110,007	-\$ 10,104	\$ -	\$ -	-\$ 120,111	
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 761,311	-\$ 307,175	\$ -	\$ -	-\$ 1,068,486	-\$ 115,680	-\$ 11,497	\$ -	\$ -	-\$ 127,176	
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	\$ 67,472	\$ 107,293	\$ -	\$ -	\$ 174,765	\$ 5,673	\$ 1,392	\$ -	\$ -	\$ 7,065	
<b>Special Purpose Charge Assessment Variance Account</b>												
	<b>1521</b>											
<b>Deferred Payments in Lieu of Taxes</b>												
	<b>1562</b>	\$ 1,495				\$ 1,495	\$ 561				\$ 561	
<b>Group 1 Total + 1521 + 1562</b>		-\$ 692,344	-\$ 199,882	\$ -	\$ -	-\$ 892,226	-\$ 109,446	-\$ 10,104	\$ -	\$ -	-\$ 119,550	
<b>The following is not included in the total claim but are included on a memo basis:</b>												
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 <sup>7</sup>	1595	\$ -				\$ -	\$ -				\$ -	

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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 the adjustments. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28-31. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28-31. For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transition from the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011. 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, 2012 on the December 31, 2010 balance adjusted for the disposed balances applicable to the period from May 1, 2011 to April 30, 2012. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, include support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include



Please complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521 and other notes and further instructions.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 schedule should be the date of the approval. For example, if in the 2011 EDR process (CoS or IRM) you received approval for the December 31, 2011 adjustment column AV for principal and column BA for interest. This will allow for the correct starting point for entries requiring entries dating back to the beginning of the continuity schedule i.e. 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 <sup>5</sup>	Board-Approved Disposition during 2010	Other <sup>3</sup> Adjustments during Q1 2010	Other <sup>3</sup> Adjustments during Q2 2010	Other <sup>3</sup> Adjustments during Q3 2010	Other <sup>3</sup> 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 <sup>3</sup>	Closing Interest Amounts as of Dec-31-10
<b>Group 1 Accounts</b>														
LV Variance Account	1550	\$ -							\$ -	\$ -				\$ -
RSVA - Wholesale Market Service Charge	1580	-\$ 253,497	-\$ 99,679						-\$ 353,176	-\$ 12,841	-\$ 2,440			-\$ 15,281
RSVA - Retail Transmission Network Charge	1584	-\$ 81,916	\$ 32,201						-\$ 49,715	-\$ 14,789	-\$ 587			-\$ 15,376
RSVA - Retail Transmission Connection Charge	1586	-\$ 324,070	-\$ 65,348						-\$ 389,418	-\$ 19,909	-\$ 2,913			-\$ 22,822
RSVA - Power (excluding Global Adjustment)	1588	-\$ 348,868	-\$ 139,932						-\$ 488,799	-\$ 84,951	-\$ 3,510			-\$ 88,461
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 174,765	-\$ 36,515						\$ 138,250	\$ 7,065	\$ 972			\$ 8,037
Recovery of Regulatory Asset Balances	1590	-\$ 60,136							-\$ 60,136	\$ 5,314	-\$ 377			\$ 4,937
Disposition and Recovery of Regulatory Balances (2008) <sup>7</sup>	1595	\$ -							\$ -	\$ -				\$ -
Disposition and Recovery of Regulatory Balances (2009) <sup>7</sup>	1595	\$ -							\$ -	\$ -				\$ -
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		-\$ 893,721	-\$ 309,273	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 1,202,994	-\$ 120,111	-\$ 8,855	\$ -	\$ -	-\$ 128,966
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		-\$ 1,068,486	-\$ 272,758	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 1,341,244	-\$ 127,176	-\$ 9,827	\$ -	\$ -	-\$ 137,004
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	\$ 174,765	-\$ 36,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,250	\$ 7,065	\$ 972	\$ -	\$ -	\$ 8,037
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>		\$ 33,091			-\$ 2,274	-\$ 6,550	-\$ 29,944	-\$ 5,677		\$ 131		-\$ 116	\$ 15
<b>Deferred Payments in Lieu of Taxes</b>	<b>1562</b>	\$ 1,495							\$ 1,495	\$ 561				\$ 561
<b>Group 1 Total + 1521 + 1562</b>		-\$ 892,226	-\$ 276,182	\$ -	\$ -	-\$ 2,274	-\$ 6,550	-\$ 29,944	-\$ 1,207,175	-\$ 119,550	-\$ 8,724	\$ -	-\$ 116	-\$ 128,390
<b>The following is not included in the total claim but are included on a memo basis:</b>														
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 <sup>7</sup>	1595	\$ -							\$ -	\$ -				\$ -

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (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 the adjustments. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28-31. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28-31. For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transactions in the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011. 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, 2012 on the December 31, 2010 balance adjusted for the disposed balances applicable to the period from May 1, 2011 to April 30, 2012. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, include support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include





Please complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 1521 and 1562. For further instructions, please refer to the 2011 EDR process (CoS or IRM) you received approval for the December 31, 2010 balance adjusted for the disposed balances approved during 2011.

If you have received approval to dispose of balances from prior years, the starting point for entries in the 2012 EDR process should be the 2011 EDR process (CoS or IRM) you received approval for the December 31, 2010 balance adjusted for the disposed balances approved during 2011. This will allow for the correct starting point for entries requiring entries dating back to the beginning of the continuity schedule (i.e. Jan 1, 2005).

Account Descriptions	Account Number	2011				Projected Interest on Dec-31-10 Balances		2.1.7 RRR	Variance RRR vs. 2010 Balance (Principal + Interest)
		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 <sup>5</sup>	Projected Interest from January 1, 2012 to April 30, 2012 on Dec 31 -10 balance adjusted for disposition during 2011 <sup>6,7</sup>	Total Claim	
<b>Group 1 Accounts</b>									
LV Variance Account	1550			\$ -	\$ -			\$ -	\$ -
RSVA - Wholesale Market Service Charge	1580	\$ 192,413	\$ 11,557	\$ 160,763	\$ 3,724	-\$ 4,345	-\$ 2,364	-\$ 171,196	\$ 368,456
RSVA - Retail Transmission Network Charge	1584	\$ 68,739	\$ 13,484	\$ 19,024	\$ 1,892	\$ 387	\$ 268	-\$ 17,788	\$ 65,091
RSVA - Retail Transmission Connection Charge	1586	\$ 233,231	\$ 17,548	\$ 156,187	\$ 5,274	-\$ 4,106	-\$ 2,304	-\$ 167,871	\$ 412,241
RSVA - Power (excluding Global Adjustment)	1588	\$ 209,033	\$ 8,305	\$ 279,767	\$ 80,156	-\$ 5,692	-\$ 4,112	-\$ 369,727	\$ 430,973
RSVA - Power - Sub-Account - Global Adjustment	1588	-\$ 67,572	-\$ 6,365	\$ 70,678	\$ 1,672	\$ 1,643	\$ 1,038	\$ 75,032	\$ -
Recovery of Regulatory Asset Balances	1590	\$ 46,605	\$ 7,922	\$ 13,531	\$ 12,859	-\$ 1,972	-\$ 1,569	-\$ 4,213	\$ 55,200
Disposition and Recovery of Regulatory Balances (2008) <sup>7</sup>	1595			\$ -	\$ -			\$ -	\$ -
Disposition and Recovery of Regulatory Balances (2009) <sup>7</sup>	1595			\$ -	\$ -			\$ -	\$ -
<b>Group 1 Sub-Total (including Account 1588 - Global Adjustment)</b>		\$ 682,448	\$ 52,452	\$ 520,546	\$ 76,514	-\$ 14,085	-\$ 9,043	-\$ 620,188	\$ 1,331,960
<b>Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)</b>		\$ 750,020	\$ 58,817	\$ 591,224	\$ 78,187	-\$ 15,728	-\$ 10,081	-\$ 695,220	\$ 1,331,960
<b>RSVA - Power - Sub-Account - Global Adjustment</b>	<b>1588</b>	-\$ 67,572	-\$ 6,365	\$ 70,678	\$ 1,672	\$ 1,643	\$ 1,038	\$ 75,032	\$ -
<b>Special Purpose Charge Assessment Variance Account</b>	<b>1521</b>					\$ 364	-\$ 83	\$ 5,380	\$ 17,483
<b>Deferred Payments in Lieu of Taxes</b>	<b>1562</b>			\$ 1,495	\$ 561			\$ 2,056	\$ -
<b>Group 1 Total + 1521 + 1562</b>		\$ 682,448	\$ 52,452	\$ 519,051	\$ 75,953	-\$ 13,721	-\$ 9,126	-\$ 623,512	\$ 1,314,478
<b>The following is not included in the total claim but are included on a memo basis:</b>									
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 <sup>7</sup>	1595							\$ -	\$ -

**For all Board-Approved dispositions, please ensure that the disposition amount has the same sign (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 the adjustments. Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved dispositions, please provide a breakdown in rows 28-31. Although the Global Adjustment Account is not reported separately under 2.1.7, please provide a breakdown in rows 28-31. For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the transition from the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31, 2011. If the LDC's 2011 rate year started May 1, the projected interest is recorded from January 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances approved during 2011. Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period has not been completed, include support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, include



**3<sup>RD</sup> Generation Incentive  
Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171

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 <sup>1</sup>	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) <sup>2</sup>	1595 Recovery Share Proportion (2009) <sup>2</sup>
Residential	\$/kWh	25,225,707		1,577,596	-	660,547	34%		
General Service Less Than 50 kW	\$/kWh	11,529,904		1,116,135	-	173,371	16%		
General Service 50 to 1,499 kW	\$/kW	17,814,537	49,410	16,326,499	45,283	178,696	24%		
Intermediate With Self Generation	\$/kW	18,248,907	59,337	18,248,907	59,337	68,101	25%		
Sentinel Lighting	\$/kW	20,027	57	-	-	1,062	0%		
Street Lighting	\$/kW	1,008,852	3,092	1,088,852	3,337	65,795	1%		
<b>Total</b>		<b>73,847,934</b>	<b>111,896</b>	<b>38,357,989</b>	<b>107,957</b>	<b>1,147,571</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>

<b>Total Claim (including Accounts 1521 and 1562)</b>	-\$	623,512
---	-----	---------

<b>Total Claim for Threshold Test (All Group 1 Accounts)</b>	-\$	620,188
--	-----	---------

<b>Threshold Test <sup>3</sup> (Total Claim per kWh)</b>	-	0.00840
--	---	---------

<sup>1</sup> 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.

<sup>2</sup> Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.

<sup>3</sup> The Threshold Test does not include the amount in 1521 nor 1562.





**Deferral / Variance Account  
Work Form**

Hearst Power Distribution Company Limited - EB-2011-0171

No input required. This worksheet 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	25,225,707	34.16%	0	(58,479)	6,076	(57,343)	(126,295)	(1,439)	0	0	(1,838)	(239,318)
General Service Less Than 50 kW	\$/kWh	11,529,904	15.61%	0	(26,729)	2,777	(26,210)	(57,726)	(658)	0	0	(840)	(109,385)
General Service 50 to 1,499 kW	\$/kW	17,814,537	24.12%	0	(41,298)	4,291	(40,496)	(89,190)	(1,016)	0	0	(1,298)	(169,008)
Intermediate With Self Generation	\$/kW	18,248,907	24.71%	0	(42,305)	4,396	(41,484)	(91,365)	(1,041)	0	0	(1,330)	(173,128)
Sentinel Lighting	\$/kW	20,027	0.03%	0	(46)	5	(46)	(100)	(1)	0	0	(1)	(190)
Street Lighting	\$/kW	1,008,852	1.37%	0	(2,339)	243	(2,293)	(5,051)	(58)	0	0	(73)	(9,571)
<b>Total</b>		<b>73,847,934</b>	<b>100.00%</b>	<b>0</b>	<b>(171,196)</b>	<b>17,788</b>	<b>(167,871)</b>	<b>(369,727)</b>	<b>(4,213)</b>	<b>0</b>	<b>0</b>	<b>(5,380)</b>	<b>(700,600)</b>

\* RSVA - Power (Excluding Global Adjustment)

**1588 RSVA - Power (Global Adjustment Sub-Account)**

Rate Class	non-RPP kWh	% kWh	1588
Residential	1,577,596	4.11%	3,086
General Service Less Than 50 kW	1,116,135	2.91%	2,183
General Service 50 to 1,499 kW	16,326,499	42.56%	31,936
Intermediate With Self Generation	18,248,907	47.58%	35,697
Sentinel Lighting	-	0.00%	-
Street Lighting	1,088,852	2.84%	2,130
<b>Total</b>	<b>38,357,989</b>	<b>100.00%</b>	<b>75,032</b>

**Allocation of Account 1562**

	% of Distribution Revenue	Allocation of Balance in Account 1562
Residential	57.6%	1,183
General Service Less Than 50 kW	15.1%	311
General Service 50 to 1,499 kW	15.6%	320
Intermediate With Self Generation	5.9%	122
Sentinel Lighting	0.1%	2
Street Lighting	5.7%	118
<b>Total</b>	<b>100.0%</b>	<b>2,056</b>



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**Deferral/ Variance Account  
Work Form**

Hearst Power Distribution Company Limited - EB-2011-0171

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)

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	25,225,707	-	-\$ 238,134	(\$0.00236 )	\$/kWh \$ 3,086	1,577,596	\$0.00049
General Service Less Than 50 kW	\$/kWh	11,529,904	-	-\$ 109,074	(\$0.00237 )	\$/kWh \$ 2,183	1,116,135	\$0.00049
General Service 50 to 1,499 kW	\$/kW	17,814,537	49,410	-\$ 168,687	(\$0.85351 )	\$/kW \$ 31,936	45,283	\$0.17631
Intermediate With Self Generation	\$/kW	18,248,907	59,337	-\$ 173,006	(\$0.72891 )	\$/kW \$ 35,697	59,337	\$0.15040
Sentinel Lighting	\$/kW	20,027	57	-\$ 188	(\$0.82498 )	\$/kW \$ -	-	\$0.00000
Street Lighting	\$/kW	1,008,852	3,092	-\$ 9,453	(\$0.76432 )	\$/kW \$ 2,130	3,337	\$0.15956
<b>Total</b>		<b>73,847,934</b>	<b>111,896</b>	<b>-\$ 698,544</b>		<b>\$ 75,032</b>		



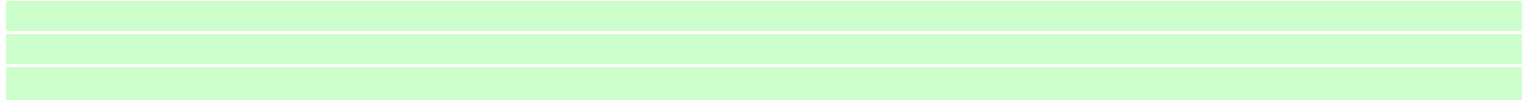
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**3<sup>RD</sup> Generation Incentive Regulation Model**

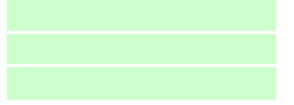
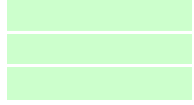
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Below is a listing of the current Monthly Fixed Charges. All rates with expired effective dates have been removed. In columns "B", "K", and "M" (green cells), please enter all additional Monthly Fixed Charges you are proposing (eg: Smart Meter Funding 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
<b>Residential</b>					
Service Charge	\$	9.00			
	\$				
	\$				
	\$				
<b>General Service Less Than 50 kW</b>					
Service Charge	\$	19.50			
	\$				
	\$				
	\$				
<b>General Service 50 to 1,499 kW</b>					
Service Charge	\$	66.00			
	\$				
	\$				
	\$				
<b>Intermediate With Self Generation</b>					
Service Charge	\$	220.00			
	\$				
	\$				
	\$				
<b>Sentinel Lighting</b>					
Service Charge	\$	7.00			
	\$				
	\$				
	\$				
<b>Street Lighting</b>					
Service Charge	\$	5.50			



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3<sup>RD</sup> Generation Incentive Regulation Model

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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
<b>Residential</b>					
Low Voltage Service Rate	\$/kWh	0.00070			
Rate Rider for Deferral/Variance Account Disposition (2010)	\$/kWh	-0.00430	April 30, 2013		
Rate Rider For LRAM	\$/kWh			0.00110	April 30, 2013
<b>General Service Less Than 50 kW</b>					
Low Voltage Service Rate	\$/kWh	0.00060			
Rate Rider for Deferral/Variance Account Disposition (2010)	\$/kWh	-0.00400	April 30, 2013		
Rate Rider For LRAM	\$/kWh			0.00020	April 30, 2013
<b>General Service 50 to 1,499 kW</b>					
Low Voltage Service Rate	\$/kW	0.22700			
Rate Rider for Deferral/Variance Account Disposition (2010)	\$/kW	-1.38890	April 30, 2013		
Rate Rider For LRAM	\$/kW			0.09780	April 30, 2013
<b>Intermediate With Self Generation</b>					
Low Voltage Service Rate	\$/kW	0.26770			













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**3<sup>RD</sup> Generation Incentive  
Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171

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
<b>Residential</b>				
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00520	1.923%	0.00530
<b>General Service Less Than 50 kW</b>				
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00470	2.128%	0.00480
<b>General Service 50 to 1,499 kW</b>				
Retail Transmission Rate – Network Service Rate	\$/kW	0.00000 1.95630	2.147%	1.99830
<b>Intermediate With Self Generation</b>				
Retail Transmission Rate – Network Service Rate	\$/kW	2.18800	2.148%	2.23500
<b>Sentinel Lighting</b>				
Retail Transmission Rate – Network Service Rate	\$/kW	1.48290	2.144%	1.51470
<b>Street Lighting</b>				
Retail Transmission Rate – Network Service Rate	\$/kW	1.47530	2.149%	1.50700









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Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171

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
<b>Residential</b>				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.00440	0.000%	0.00440
<b>General Service Less Than 50 kW</b>				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.00400	0.000%	0.00400
<b>General Service 50 to 1,499 kW</b>				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.58610	-0.221%	1.58260
<b>Intermediate With Self Generation</b>				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.87080	-0.225%	1.86660
<b>Sentinel Lighting</b>				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.24040	-0.226%	1.23760
<b>Street Lighting</b>				
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.21510	-0.222%	1.21240



Hearst Power Distribution Company Limited - EB-2011-0171

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
<b>Residential</b>									
General Service Less Than 50 kW	\$	9.00	0.07	0.01560	\$/kWh	0.00012	0.180%	9.09	0.01575
General Service 50 to 1,499 kW	\$	19.50		0.00660	\$/kWh		0.180%	19.54	0.00661
Intermediate With Self Generation	\$	66.00	(11.91 )	2.79450	\$/kW	(0.50449)	0.180%	54.18	2.29413
Sentinel Lighting	\$	220.00		1.00770	\$/kW		0.180%	220.40	1.00951
Street Lighting	\$	7.00		3.07780	\$/kW		0.180%	7.01	3.08334
	\$	5.50	2.26	1.60270	\$/kW	0.65970	0.180%	7.78	2.26647



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Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171

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
Total Loss Factor – Secondary Metered Customer > 5,000 kW
Total Loss Factor – Primary Metered Customer < 5,000 kW
Total Loss Factor – Primary Metered Customer > 5,000 kW

1.0460
N/A
1.0356
N/A





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**3<sup>RD</sup> Generation Incentive Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171

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	(0.45)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

**SPECIFIC SERVICE CHARGES**

**APPLICATION**

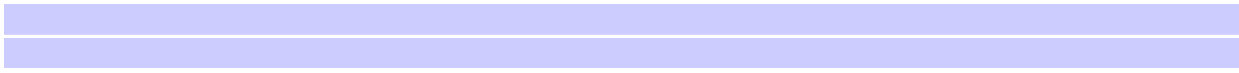
The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule

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
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads		30.00





## 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

# Hearst Power Distribution Company Limited

## TARIFF OF RATES AND CHARGES

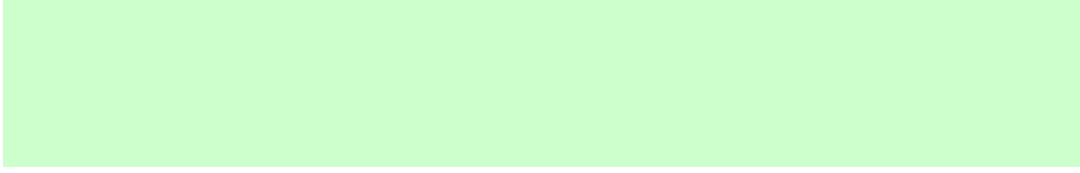
Effective Date May 1, 2012

Implementation Date May 1, 2012

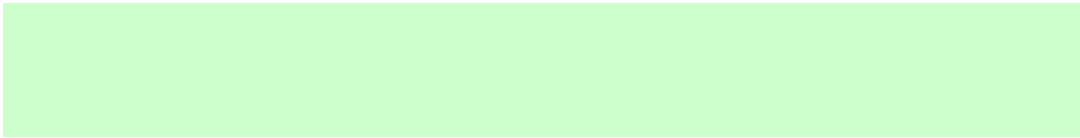
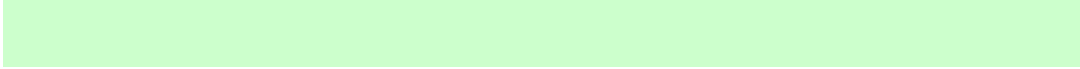
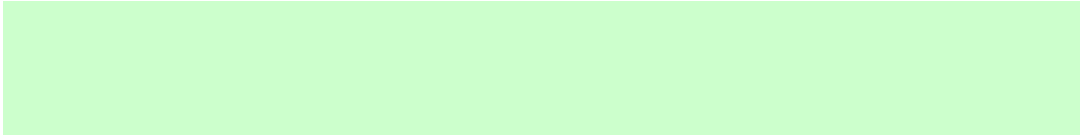
This schedule supersedes and replaces all previously approved schedules of Rates,

EB-2011-0171

### RESIDENTIAL SERVICE CLASSIFICATION



### APPLICATION



### MONTHLY RATES AND CHARGES - Delivery Component



Ontario Energy Board

**3<sup>RD</sup> Generation Incentive  
Regulation Model**

Hearst Power Distribution Company Limited - EB-2011-0171



**Rate Class**

**Street Lighting**

<b>Consumption</b>	<b>kWh</b>	<b>kW</b>
	<b>kWh</b>	<b>Load Factor</b>

<b>Current Loss Factor</b>	<b>1.0460</b>
<b>Proposed Loss Factor</b>	<b>1.0460</b>

Street Lighting	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	0.00	0.0680	0.00	0	0.0680	0.00	0.00	0.00%	0.00%
Energy Second Tier (kWh)			0.00			0.00	0.00	0.00%	0.00%
<b>Sub-Total: Energy</b>			<b>0.00</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
Service Charge	1	5.50	5.50	1	7.78	7.78	2.28	41.42%	85.74%
Service Charge Rate Rider(s)	1	0.71	0.71	1	0.01	0.01	-0.70	(99.27)%	0.06%
Distribution Volumetric Rate	0	1.6027	0.00	0	2.2665	0.00	0.00	0.00%	0.00%
Low Voltage Volumetric Rate	0	0.1755	0.00	0	0.1755	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	0	(3.0560)	0.00	0	(0.7643)	0.00	0.00	0.00%	0.00%
<b>Total: Distribution</b>			<b>6.21</b>			<b>7.78</b>	<b>1.57</b>	<b>25.33%</b>	<b>85.80%</b>
Retail Transmission Rate – Network Service Rate	0.00	0.0000	0.00	0.00	1.5070	0.00	0.00	0.00%	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00	0.0000	0.00	0.00	1.2124	0.00	0.00	0.00%	0.00%
<b>Total: Retail Transmission</b>			<b>0.00</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>6.21</b>			<b>7.78</b>	<b>1.57</b>	<b>25.33%</b>	<b>85.80%</b>
Wholesale Market Service Rate	0.00	0.0000	0.00	0.00	0.0052	0.00	0.00	0.00%	0.00%
Rural Rate Protection Charge	0.00	0.0000	0.00	0.00	0.0013	0.00	0.00	0.00%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.00	0.00	1	0.25	0.25	0.25	0.00%	2.76%
<b>Sub-Total: Regulatory</b>			<b>0.00</b>			<b>0.25</b>			<b>2.76%</b>
Debt Retirement Charge (DRC)	0.00	0.00700	0.00	0	0.0070	0.00	0.00	0.00%	0.00%
<b>Total Bill before Taxes</b>			<b>6.21</b>			<b>8.03</b>	<b>1.82</b>	<b>29.36%</b>	<b>88.55%</b>
HST		13%	0.81		13%	1.04	0.24	29.36%	11.51%
<b>Total Bill</b>			<b>7.02</b>			<b>9.08</b>	<b>2.06</b>	<b>29.36%</b>	<b>100.06%</b>
Ontario Clean Energy Benefit (OCEB)		(10%)	-0.70		(10%)	-0.91			
<b>Total Bill (less OCEB)</b>			<b>6.32</b>			<b>8.17</b>	<b>1.85</b>	<b>29.36%</b>	

## Appendix 2 of 5

## RTSR Adjustment



**Choose Your Utility:**

Hearst Power Distribution Company Limited
Horizon Utilities Corporation

Application T  
OEB Applicati  
LDC Licen

**Application Contact Information**

**Name:**

**Title:**

**Phone Number:**

**Email Address:**

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Ontario Energy Board

## RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Type: IRM3                      Last COS OEB Application #: EB-2009-0266  
Application #: EB-2011-0171                      Last COS Re-Basing Year: 2010  
License #: ED-2002-0533

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[4. RRR Data](#)

[5. UTRs and Sub-Transmission](#)

[6. Historical Wholesale](#)

[7. Curren](#)

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[9. Adj Ne](#)

[10. Adj C](#)

[11. Adj N](#)

[12. Adj C](#)



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

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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	\$ 0.0052	\$ 0.0044
kWh	\$ 0.0047	\$ 0.0040
kW	\$ 1.9563	\$ 1.5861
kW	\$ 2.1880	\$ 1.8708
kW	\$ 1.4829	\$ 1.2404
kW	\$ 1.4753	\$ 1.2151



**Hearst Power Distribution Company Limited - EB-2011-0171 - IRM3**

In the green shaded cells, enter the most recent reported RRR billing determinants. Ple

Rate Class	Unit	Non-Loss Adjusted Metered kWh
Residential	kWh	25,225,707
General Service Less Than 50 kW	kWh	11,529,904
General Service 50 to 1,499 kW	kW	17,814,537
Intermediate With Self Generation	kW	18,248,907
Sentinel Lighting	kW	20,027
Street Lighting	kW	1,008,852



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

Please ensure that billing determinants are non-loss adjusted.

Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
	1.0460		26,386,090	-
	1.0460		12,060,280	-
49,410		<b>49.42%</b>	17,814,537	49,410
59,337		<b>42.15%</b>	18,248,907	59,337
57		<b>48.16%</b>	20,027	57
3,092		<b>44.72%</b>	1,008,852	3,092



**Hearst Power Distribution Company Limited - EB-2011-0171 - IRM3**

**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**

<b>Effective January 1, 2010</b>	<b>Effective January 1, 2011</b>	<b>Effective January 1, 2012</b>
<b>Rate</b>	<b>Rate</b>	<b>Rate</b>
\$ 2.97	\$ 3.22	\$ 3.22
\$ 0.73	\$ 0.79	\$ 0.79
\$ 1.71	\$ 1.77	\$ 1.77

<b>Effective January 1, 2010</b>	<b>Effective January 1, 2011</b>	<b>Effective January 1, 2012</b>
<b>Rate</b>	<b>Rate</b>	<b>Rate</b>
\$ 2.65	\$ 2.65	\$ 2.65
\$ 0.64	\$ 0.64	\$ 0.64
\$ 1.50	\$ 1.50	\$ 1.50
\$ 2.14	\$ 2.14	\$ 2.14

<b>Effective January 1, 2010</b>	<b>Effective January 1, 2011</b>	<b>Effective January 1, 2012</b>
--------------------------------------	--------------------------------------	--------------------------------------

<b>Rate</b>	<b>Rate</b>	<b>Rate</b>
\$ 0.0470	\$ 0.0470	\$ 0.0470
-\$ 0.0250	-\$ 0.0250	-\$ 0.0250
\$ 0.0580	\$ 0.0580	\$ 0.0580
-\$ 0.0750	-\$ 0.0750	-\$ 0.0750
<u>\$ 0.0050</u>	<u>\$ 0.0050</u>	<u>\$ 0.0050</u>



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

Hearst Power Distribution Company Limited - EB-2011-0171 - 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	3,228	\$2.97	\$ 9,587	3,798	\$0.73	\$ 2,773	3,798	\$1.71	\$ 6,495	\$ 9,267
	February	3,508	\$2.97	\$ 10,419	3,969	\$0.73	\$ 2,897	3,969	\$1.71	\$ 6,787	\$ 9,684
	March	3,489	\$2.97	\$ 10,362	4,105	\$0.73	\$ 2,997	4,105	\$1.71	\$ 7,020	\$ 10,016
	April	3,861	\$2.97	\$ 11,467	4,389	\$0.73	\$ 3,204	4,389	\$1.71	\$ 7,505	\$ 10,709
	May	3,728	\$2.97	\$ 11,072	4,230	\$0.73	\$ 3,088	4,230	\$1.71	\$ 7,233	\$ 10,321
	June	3,800	\$2.97	\$ 11,286	4,018	\$0.73	\$ 2,933	4,018	\$1.71	\$ 6,871	\$ 9,804
	July	3,301	\$2.97	\$ 9,804	3,883	\$0.73	\$ 2,835	3,883	\$1.71	\$ 6,640	\$ 9,475
	August	3,507	\$2.97	\$ 10,416	4,126	\$0.73	\$ 3,012	4,126	\$1.71	\$ 7,055	\$ 10,067
	September	3,793	\$2.97	\$ 10,374	4,109	\$0.73	\$ 3,000	4,109	\$1.71	\$ 7,026	\$ 10,026
	October	3,539	\$2.97	\$ 10,511	4,163	\$0.73	\$ 3,039	4,163	\$1.71	\$ 7,119	\$ 10,158
	November	4,340	\$2.97	\$ 12,890	4,494	\$0.73	\$ 3,281	4,494	\$1.71	\$ 7,685	\$ 10,965
	December	4,343	\$2.97	\$ 12,899	4,621	\$0.73	\$ 3,373	4,621	\$1.71	\$ 7,902	\$ 11,275
	<b>Total</b>	44,437	\$ 2.95	\$ 131,087	49,905	\$ 0.73	\$ 36,431	49,905	\$ 1.71	\$ 85,338	\$ 121,768

HYDRO ONE	Network			Line Connection			Transformation Connection			Total Line	
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	9,712	\$2.24	\$ 21,755	10,037	\$0.00		10,037	\$1.99	\$ 19,974	\$ 19,974
	February	9,042	\$2.24	\$ 20,254	9,042	\$0.00		9,042	\$1.99	\$ 17,994	\$ 17,994
	March	8,303	\$2.24	\$ 18,599	8,303	\$0.00		8,303	\$1.99	\$ 16,523	\$ 16,523
	April	8,894	\$2.28	\$ 20,254	8,894	\$0.00		8,894	\$2.00	\$ 17,820	\$ 17,820
	May	8,582	\$2.65	\$ 22,742	8,582	\$0.00		8,582	\$2.14	\$ 18,365	\$ 18,365
	June	7,989	\$2.65	\$ 21,171	7,989	\$0.00		7,989	\$2.14	\$ 17,096	\$ 17,096
	July	8,033	\$2.65	\$ 21,287	8,033	\$0.00		8,033	\$2.14	\$ 17,191	\$ 17,191
	August	8,493	\$2.65	\$ 22,506	8,493	\$0.00		8,493	\$2.14	\$ 18,175	\$ 18,175
	September	7,614	\$2.65	\$ 20,167	7,614	\$0.00		7,614	\$2.14	\$ 16,294	\$ 16,294
	October	8,780	\$2.65	\$ 23,267	8,803	\$0.00		8,803	\$2.14	\$ 18,838	\$ 18,838
	November	10,526	\$2.65	\$ 27,894	10,526	\$0.00		10,526	\$2.14	\$ 22,526	\$ 22,526
	December	11,955	\$2.65	\$ 31,681	11,955	\$0.00		11,955	\$2.14	\$ 25,584	\$ 25,584
	<b>Total</b>	107,923	\$ 2.52	\$ 271,577	108,271	\$ -	\$ -	108,271	\$ 2.09	\$ 226,380	\$ 226,380

TOTAL	Network			Line Connection			Transformation Connection			Total Line	
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	12,940	\$2.42	\$ 31,342	13,835	\$0.20	\$ 2,773	13,835	\$1.91	\$ 26,468	\$ 29,241
	February	12,550	\$2.44	\$ 30,673	13,011	\$0.22	\$ 2,897	13,011	\$1.90	\$ 24,781	\$ 27,678
	March	11,792	\$2.46	\$ 28,961	12,408	\$0.24	\$ 2,997	12,408	\$1.90	\$ 23,543	\$ 26,539
	April	12,755	\$2.49	\$ 31,721	13,283	\$0.24	\$ 3,204	13,283	\$1.91	\$ 25,326	\$ 28,530
	May	12,310	\$2.75	\$ 33,814	12,812	\$0.24	\$ 3,088	12,812	\$2.00	\$ 25,599	\$ 28,687
	June	11,789	\$2.75	\$ 32,457	12,007	\$0.24	\$ 2,933	12,007	\$2.00	\$ 23,967	\$ 26,900
	July	11,334	\$2.74	\$ 31,091	11,916	\$0.24	\$ 2,835	11,916	\$2.00	\$ 23,831	\$ 26,665
	August	12,000	\$2.74	\$ 32,922	12,619	\$0.24	\$ 3,012	12,619	\$2.00	\$ 25,230	\$ 28,242
	September	11,407	\$2.68	\$ 30,541	11,723	\$0.26	\$ 3,000	11,723	\$1.99	\$ 23,320	\$ 26,320
	October	12,319	\$2.74	\$ 33,778	12,966	\$0.23	\$ 3,039	12,966	\$2.00	\$ 25,957	\$ 28,996
	November	14,866	\$2.74	\$ 40,784	15,020	\$0.22	\$ 3,281	15,020	\$2.01	\$ 30,210	\$ 33,491
	December	16,298	\$2.74	\$ 44,579	16,576	\$0.20	\$ 3,373	16,576	\$2.02	\$ 33,486	\$ 36,859
	<b>Total</b>	152,360	\$ 2.64	\$ 402,664	158,176	\$ 0.23	\$ 36,431	158,176	\$ 1.97	\$ 311,717	\$ 348,148

**RTSR WORK FORM FOR  
ELECTRICITY DISTRIBUTORS**
**Hearst Power Distribution Company Limited - EB-2011-0171 - 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	Network			Line Connection			Transformation Connection			Total Line	
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	3,228	\$ 3.2200	\$ 10,394	3,798	\$ 0.7900	\$ 3,000	3,798	\$ 1.7700	\$ 6,722	\$ 9,723
	February	3,508	\$ 3.2200	\$ 11,296	3,969	\$ 0.7900	\$ 3,136	3,969	\$ 1.7700	\$ 7,025	\$ 10,161
	March	3,489	\$ 3.2200	\$ 11,235	4,105	\$ 0.7900	\$ 3,243	4,105	\$ 1.7700	\$ 7,266	\$ 10,509
	April	3,861	\$ 3.2200	\$ 12,432	4,389	\$ 0.7900	\$ 3,467	4,389	\$ 1.7700	\$ 7,769	\$ 11,236
	May	3,728	\$ 3.2200	\$ 12,004	4,230	\$ 0.7900	\$ 3,342	4,230	\$ 1.7700	\$ 7,487	\$ 10,829
	June	3,800	\$ 3.2200	\$ 12,236	4,018	\$ 0.7900	\$ 3,174	4,018	\$ 1.7700	\$ 7,112	\$ 10,286
	July	3,301	\$ 3.2200	\$ 10,629	3,883	\$ 0.7900	\$ 3,068	3,883	\$ 1.7700	\$ 6,873	\$ 9,940
	August	3,507	\$ 3.2200	\$ 11,293	4,126	\$ 0.7900	\$ 3,260	4,126	\$ 1.7700	\$ 7,303	\$ 10,563
	September	3,793	\$ 3.2200	\$ 12,213	4,109	\$ 0.7900	\$ 3,246	4,109	\$ 1.7700	\$ 7,273	\$ 10,519
	October	3,539	\$ 3.2200	\$ 11,396	4,163	\$ 0.7900	\$ 3,289	4,163	\$ 1.7700	\$ 7,369	\$ 10,657
	November	4,340	\$ 3.2200	\$ 13,975	4,494	\$ 0.7900	\$ 3,550	4,494	\$ 1.7700	\$ 7,954	\$ 11,505
	December	4,343	\$ 3.2200	\$ 13,984	4,621	\$ 0.7900	\$ 3,651	4,621	\$ 1.7700	\$ 8,179	\$ 11,830
	<b>Total</b>	44,437	\$ 3.22	\$ 143,087	49,905	\$ 0.79	\$ 39,425	49,905	\$ 1.77	\$ 88,332	\$ 127,757


HYDRO ONE	Network			Line Connection			Transformation Connection			Total Line	
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	9,712	\$ 2.6970	\$ 26,193	10,037	\$ 0.6150	\$ 6,173	10,037	\$ 1.5000	\$ 15,056	\$ 21,228
	February	9,042	\$ 2.6970	\$ 24,386	9,042	\$ 0.6150	\$ 5,561	9,042	\$ 1.5000	\$ 13,563	\$ 19,124
	March	8,303	\$ 2.6970	\$ 22,393	8,303	\$ 0.6150	\$ 5,106	8,303	\$ 1.5000	\$ 12,455	\$ 17,561
	April	8,894	\$ 2.6970	\$ 23,987	8,894	\$ 0.6150	\$ 5,470	8,894	\$ 1.5000	\$ 13,341	\$ 18,811
	May	8,582	\$ 2.6970	\$ 23,146	8,582	\$ 0.6150	\$ 5,278	8,582	\$ 1.5000	\$ 12,873	\$ 18,151
	June	7,989	\$ 2.6970	\$ 21,546	7,989	\$ 0.6150	\$ 4,913	7,989	\$ 1.5000	\$ 11,984	\$ 16,897
	July	8,033	\$ 2.6970	\$ 21,665	8,033	\$ 0.6150	\$ 4,940	8,033	\$ 1.5000	\$ 12,050	\$ 16,990
	August	8,493	\$ 2.6970	\$ 22,906	8,493	\$ 0.6150	\$ 5,223	8,493	\$ 1.5000	\$ 12,740	\$ 17,963
	September	7,614	\$ 2.6970	\$ 20,535	7,614	\$ 0.6150	\$ 4,683	7,614	\$ 1.5000	\$ 11,421	\$ 16,104
	October	8,780	\$ 2.6970	\$ 23,680	8,803	\$ 0.6150	\$ 5,414	8,803	\$ 1.5000	\$ 13,205	\$ 18,618
	November	10,526	\$ 2.6970	\$ 28,389	10,526	\$ 0.6150	\$ 6,473	10,526	\$ 1.5000	\$ 15,789	\$ 22,262
	December	11,955	\$ 2.6970	\$ 32,243	11,955	\$ 0.6150	\$ 7,352	11,955	\$ 1.5000	\$ 17,933	\$ 25,285
	<b>Total</b>	107,923	\$ 2.70	\$ 291,068	108,271	\$ 0.62	\$ 66,587	108,271	\$ 1.50	\$ 162,407	\$ 228,993

TOTAL	Network			Line Connection			Transformation Connection			Total Line	
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	12,940	\$ 2.83	\$ 36,587	13,835	\$ 0.66	\$ 9,173	13,835	\$ 1.57	\$ 21,778	\$ 30,951
	February	12,550	\$ 2.84	\$ 35,682	13,011	\$ 0.67	\$ 8,696	13,011	\$ 1.58	\$ 20,588	\$ 29,284
	March	11,792	\$ 2.85	\$ 33,628	12,408	\$ 0.67	\$ 8,349	12,408	\$ 1.59	\$ 19,720	\$ 28,070
	April	12,755	\$ 2.86	\$ 36,420	13,283	\$ 0.67	\$ 8,937	13,283	\$ 1.59	\$ 21,110	\$ 30,047
	May	12,310	\$ 2.86	\$ 35,150	12,812	\$ 0.67	\$ 8,620	12,812	\$ 1.59	\$ 20,360	\$ 28,980
	June	11,789	\$ 2.87	\$ 33,782	12,007	\$ 0.67	\$ 8,087	12,007	\$ 1.59	\$ 19,095	\$ 27,183
	July	11,334	\$ 2.85	\$ 32,294	11,916	\$ 0.67	\$ 8,008	11,916	\$ 1.59	\$ 18,922	\$ 26,930
	August	12,000	\$ 2.85	\$ 34,198	12,619	\$ 0.67	\$ 8,483	12,619	\$ 1.59	\$ 20,043	\$ 28,525
	September	11,407	\$ 2.87	\$ 32,748	11,723	\$ 0.68	\$ 7,929	11,723	\$ 1.59	\$ 18,694	\$ 26,623
	October	12,319	\$ 2.85	\$ 35,075	12,966	\$ 0.67	\$ 8,703	12,966	\$ 1.59	\$ 20,573	\$ 29,276
	November	14,866	\$ 2.85	\$ 42,363	15,020	\$ 0.67	\$ 10,024	15,020	\$ 1.58	\$ 23,743	\$ 33,767
	December	16,298	\$ 2.84	\$ 46,227	16,576	\$ 0.66	\$ 11,003	16,576	\$ 1.58	\$ 26,112	\$ 37,115
	<b>Total</b>	152,360	\$ 2.85	\$ 434,155	158,176	\$ 0.67	\$ 106,012	158,176	\$ 1.59	\$ 250,738	\$ 356,750






**Ontario Energy Board**  
**RTSR WORK FORM FOR**  
**ELECTRICITY DISTRIBUTORS**

Hearst Power Distribution Company Limited - EB-2011-0171 - 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	Network			Line Connection			Transformation Connection			Total Line	
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	3,228	\$ 3.2200	\$ 10,394	3,798	\$ 0.7900	\$ 3,000	3,798	\$ 1.7700	\$ 6,722	\$ 9,723
	February	3,508	\$ 3.2200	\$ 11,296	3,969	\$ 0.7900	\$ 3,136	3,969	\$ 1.7700	\$ 7,025	\$ 10,161
	March	3,489	\$ 3.2200	\$ 11,235	4,105	\$ 0.7900	\$ 3,243	4,105	\$ 1.7700	\$ 7,266	\$ 10,509
	April	3,861	\$ 3.2200	\$ 12,432	4,389	\$ 0.7900	\$ 3,467	4,389	\$ 1.7700	\$ 7,769	\$ 11,236
	May	3,728	\$ 3.2200	\$ 12,004	4,230	\$ 0.7900	\$ 3,342	4,230	\$ 1.7700	\$ 7,487	\$ 10,829
	June	3,800	\$ 3.2200	\$ 12,236	4,018	\$ 0.7900	\$ 3,174	4,018	\$ 1.7700	\$ 7,112	\$ 10,286
	July	3,301	\$ 3.2200	\$ 10,629	3,883	\$ 0.7900	\$ 3,068	3,883	\$ 1.7700	\$ 6,873	\$ 9,940
	August	3,507	\$ 3.2200	\$ 11,293	4,126	\$ 0.7900	\$ 3,260	4,126	\$ 1.7700	\$ 7,303	\$ 10,563
	September	3,793	\$ 3.2200	\$ 12,213	4,109	\$ 0.7900	\$ 3,246	4,109	\$ 1.7700	\$ 7,273	\$ 10,519
	October	3,539	\$ 3.2200	\$ 11,396	4,163	\$ 0.7900	\$ 3,289	4,163	\$ 1.7700	\$ 7,369	\$ 10,657
	November	4,340	\$ 3.2200	\$ 13,975	4,494	\$ 0.7900	\$ 3,550	4,494	\$ 1.7700	\$ 7,954	\$ 11,505
	December	4,343	\$ 3.2200	\$ 13,984	4,621	\$ 0.7900	\$ 3,651	4,621	\$ 1.7700	\$ 8,179	\$ 11,830
	<b>Total</b>	44,437	\$ 3.22	\$ 143,087	49,905	\$ 0.79	\$ 39,425	49,905	\$ 1.77	\$ 88,332	\$ 127,757

HYDRO ONE	Network			Line Connection			Transformation Connection			Total Line	
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	9,712	\$ 2.6970	\$ 26,193	10,037	\$ 0.6150	\$ 6,173	10,037	\$ 1.5000	\$ 15,056	\$ 21,228
	February	9,042	\$ 2.6970	\$ 24,386	9,042	\$ 0.6150	\$ 5,561	9,042	\$ 1.5000	\$ 13,563	\$ 19,124
	March	8,303	\$ 2.6970	\$ 22,393	8,303	\$ 0.6150	\$ 5,106	8,303	\$ 1.5000	\$ 12,455	\$ 17,561
	April	8,894	\$ 2.6970	\$ 23,987	8,894	\$ 0.6150	\$ 5,470	8,894	\$ 1.5000	\$ 13,341	\$ 18,811
	May	8,582	\$ 2.6970	\$ 23,146	8,582	\$ 0.6150	\$ 5,278	8,582	\$ 1.5000	\$ 12,873	\$ 18,151
	June	7,989	\$ 2.6970	\$ 21,546	7,989	\$ 0.6150	\$ 4,913	7,989	\$ 1.5000	\$ 11,984	\$ 16,897
	July	8,033	\$ 2.6970	\$ 21,665	8,033	\$ 0.6150	\$ 4,940	8,033	\$ 1.5000	\$ 12,050	\$ 16,990
	August	8,493	\$ 2.6970	\$ 22,906	8,493	\$ 0.6150	\$ 5,223	8,493	\$ 1.5000	\$ 12,740	\$ 17,963
	September	7,614	\$ 2.6970	\$ 20,535	7,614	\$ 0.6150	\$ 4,683	7,614	\$ 1.5000	\$ 11,421	\$ 16,104
	October	8,780	\$ 2.6970	\$ 23,680	8,803	\$ 0.6150	\$ 5,414	8,803	\$ 1.5000	\$ 13,205	\$ 18,618
	November	10,526	\$ 2.6970	\$ 28,389	10,526	\$ 0.6150	\$ 6,473	10,526	\$ 1.5000	\$ 15,789	\$ 22,262
	December	11,955	\$ 2.6970	\$ 32,243	11,955	\$ 0.6150	\$ 7,352	11,955	\$ 1.5000	\$ 17,933	\$ 25,285
	<b>Total</b>	107,923	\$ 2.70	\$ 291,068	108,271	\$ 0.62	\$ 66,587	108,271	\$ 1.50	\$ 162,407	\$ 228,993

TOTAL	Network			Line Connection			Transformation Connection			Total Line	
	Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
	January	12,940	\$ 2.83	\$ 36,587	13,835	\$ 0.66	\$ 9,173	13,835	\$ 1.57	\$ 21,778	\$ 30,951
	February	12,550	\$ 2.84	\$ 35,682	13,011	\$ 0.67	\$ 8,696	13,011	\$ 1.58	\$ 20,588	\$ 29,284
	March	11,792	\$ 2.85	\$ 33,628	12,408	\$ 0.67	\$ 8,349	12,408	\$ 1.59	\$ 19,720	\$ 28,070
	April	12,755	\$ 2.86	\$ 36,420	13,283	\$ 0.67	\$ 8,937	13,283	\$ 1.59	\$ 21,110	\$ 30,047
	May	12,310	\$ 2.86	\$ 35,150	12,812	\$ 0.67	\$ 8,620	12,812	\$ 1.59	\$ 20,360	\$ 28,980
	June	11,789	\$ 2.87	\$ 33,782	12,007	\$ 0.67	\$ 8,087	12,007	\$ 1.59	\$ 19,095	\$ 27,183
	July	11,334	\$ 2.85	\$ 32,294	11,916	\$ 0.67	\$ 8,008	11,916	\$ 1.59	\$ 18,922	\$ 26,930
	August	12,000	\$ 2.85	\$ 34,198	12,619	\$ 0.67	\$ 8,483	12,619	\$ 1.59	\$ 20,043	\$ 28,525
	September	11,407	\$ 2.87	\$ 32,748	11,723	\$ 0.68	\$ 7,929	11,723	\$ 1.59	\$ 18,694	\$ 26,623
	October	12,319	\$ 2.85	\$ 35,075	12,966	\$ 0.67	\$ 8,703	12,966	\$ 1.59	\$ 20,573	\$ 29,276
	November	14,866	\$ 2.85	\$ 42,363	15,020	\$ 0.67	\$ 10,024	15,020	\$ 1.58	\$ 23,743	\$ 33,767
	December	16,298	\$ 2.84	\$ 46,227	16,576	\$ 0.66	\$ 11,003	16,576	\$ 1.58	\$ 26,112	\$ 37,115
	<b>Total</b>	152,360	\$ 2.85	\$ 434,155	158,176	\$ 0.67	\$ 106,012	158,176	\$ 1.59	\$ 250,738	\$ 356,750



**Hearst Power Distribution Company Limited - EB-2011-0171**

The purpose of this sheet is to re-align the current RTS Network Rates

<b>Rate Class</b>	<b>Unit</b>	<b>Current RTSR - Network</b>	
<b>Residential</b>	<b>kWh</b>	<b>\$</b>	<b>0.0052</b>
<b>General Service Less Than 50 kW</b>	<b>kWh</b>	<b>\$</b>	<b>0.0047</b>
<b>General Service 50 to 1,499 kW</b>	<b>kW</b>	<b>\$</b>	<b>1.9563</b>
<b>Intermediate With Self Generation</b>	<b>kW</b>	<b>\$</b>	<b>2.1880</b>
<b>Sentinel Lighting</b>	<b>kW</b>	<b>\$</b>	<b>1.4829</b>
<b>Street Lighting</b>	<b>kW</b>	<b>\$</b>	<b>1.4753</b>



# Ontario Energy Board

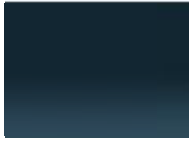
## RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

- IRM3

to recover current wholesale network costs.

Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing
26,386,090	-	\$ 137,208	32.3%	\$ 140,154
12,060,280	-	\$ 56,683	13.3%	\$ 57,901
17,814,537	49,410	\$ 96,661	22.7%	\$ 98,737
18,248,907	59,337	\$ 129,829	30.5%	\$ 132,618
20,027	57	\$ 85	0.0%	\$ 86
1,008,852	3,092	\$ 4,562	1.1%	\$ 4,660
		<b>\$ 425,027</b>		





**Adjusted  
RTSR  
Network**

**\$ 0.0053**

**\$ 0.0048**

**\$ 1.9983**

**\$ 2.2350**

**\$ 1.5147**

**\$ 1.5070**



**Hearst Power Distribution Company Limited - EB-2011-0171 -**

The purpose of this sheet is to re-align the current RTS Connection R

Rate Class	Unit	Current RTSR - Connection	
Residential	kWh	\$	0.0044
General Service Less Than 50 kW	kWh	\$	0.0040
General Service 50 to 1,499 kW	kW	\$	1.5861
Intermediate With Self Generation	kW	\$	1.8708
Sentinel Lighting	kW	\$	1.2404
Street Lighting	kW	\$	1.2151



# 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
26,386,090	-	\$ 116,099	32.5%	\$ 115,841
12,060,280	-	\$ 48,241	13.5%	\$ 48,134
17,814,537	49,410	\$ 78,369	21.9%	\$ 78,195
18,248,907	59,337	\$ 111,008	31.0%	\$ 110,761
20,027	57	\$ 71	0.0%	\$ 71
1,008,852	3,092	\$ 3,757	1.1%	\$ 3,749
		<b>\$ 357,545</b>		



**Adjusted  
RTSR  
Connection**

**\$ 0.0044**

**\$ 0.0040**

**\$ 1.5826**

**\$ 1.8666**

**\$ 1.2376**

**\$ 1.2124**



**Hearst Power Distribution Company Limited - EB-2011-0171 -**

The purpose of this sheet is to update the re-align RTS Network Rates t

Rate Class	Unit	Adjusted RTSR - Network	
Residential	kWh	\$	0.0053
General Service Less Than 50 kW	kWh	\$	0.0048
General Service 50 to 1,499 kW	kW	\$	1.9983
Intermediate With Self Generation	kW	\$	2.2350
Sentinel Lighting	kW	\$	1.5147
Street Lighting	kW	\$	1.5070



# Ontario Energy Board

## RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

IRM3

to recover forecast wholesale network costs.

Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing
26,386,090	-	\$ 140,154	32.3%	\$ 140,154
12,060,280	-	\$ 57,901	13.3%	\$ 57,901
17,814,537	49,410	\$ 98,737	22.7%	\$ 98,737
18,248,907	59,337	\$ 132,618	30.5%	\$ 132,618
20,027	57	\$ 86	0.0%	\$ 86
1,008,852	3,092	\$ 4,660	1.1%	\$ 4,660
		<b>\$ 434,155</b>		



**Proposed  
RTSR  
Network**

**\$ 0.0053**

**\$ 0.0048**

**\$ 1.9983**

**\$ 2.2350**

**\$ 1.5147**

**\$ 1.5070**



**Hearst Power Distribution Company Limited - EB-2011-0171 -**

The purpose of this sheet is to update the re-aligned RTS Connection Rate

Rate Class	Unit	Adjusted RTSR - Connection	
Residential	kWh	\$	0.0044
General Service Less Than 50 kW	kWh	\$	0.0040
General Service 50 to 1,499 kW	kW	\$	1.5826
Intermediate With Self Generation	kW	\$	1.8666
Sentinel Lighting	kW	\$	1.2376
Street Lighting	kW	\$	1.2124





# 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
26,386,090	-	\$ 115,841	32.5%	\$ 115,841
12,060,280	-	\$ 48,134	13.5%	\$ 48,134
17,814,537	49,410	\$ 78,195	21.9%	\$ 78,195
18,248,907	59,337	\$ 110,761	31.0%	\$ 110,761
20,027	57	\$ 71	0.0%	\$ 71
1,008,852	3,092	\$ 3,749	1.1%	\$ 3,749
		<b>\$ 356,750</b>		



**Proposed  
RTSR  
Connection**

**\$ 0.0044**

**\$ 0.0040**

**\$ 1.5826**

**\$ 1.8666**

**\$ 1.2376**

**\$ 1.2124**



**Hearst Power Distribution Company Limited - EB-2011-0171 - II**

For Cost of Service Applicants, please enter the following Proposed RTS r  
For IRM applicants, please enter these rates into the 2012 Rate Generator.

<b>Rate Class</b>	<b>Unit</b>	<b>Proposed RTSR Network</b>	
<b>Residential</b>	<b>kWh</b>	<b>\$</b>	<b>0.0053</b>
<b>General Service Less Than 50 kW</b>	<b>kWh</b>	<b>\$</b>	<b>0.0048</b>
<b>General Service 50 to 1,499 kW</b>	<b>kW</b>	<b>\$</b>	<b>1.9983</b>
<b>Intermediate With Self Generation</b>	<b>kW</b>	<b>\$</b>	<b>2.2350</b>
<b>Sentinel Lighting</b>	<b>kW</b>	<b>\$</b>	<b>1.5147</b>
<b>Street Lighting</b>	<b>kW</b>	<b>\$</b>	<b>1.5070</b>



Ontario Energy Board

**RTSR WORK FORM  
FOR ELECTRICITY  
DISTRIBUTORS**

RM3

ates into your rates model.

**Proposed RTSR  
Connection**

\$	0.0044
\$	0.0040
\$	1.5826
\$	1.8666
\$	1.2376
\$	1.2124



## Appendix 3 of 5

## Shared Tax Saving



Choose Your Utility:

Haldimand County Hydro Inc.	-
Hearst Power Distribution Company Limited	-

Application EB-2011-0171

OEB Application IRM3

LDC Licence #: ED-2002-0533

Application Contact Information

Name: Steven Blier

Title: General Manager

Phone Number: (705) 372-2815

Email Address: sblier@hearstpower.com

We are applying for rates effective: May 1, 2012

Last COS Re-based Year: 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION

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Ontario Energy Board

**2012 IRM 3 Tax  
Savings Workform**

Hearst Power Distribution Company Limited

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[5. Z-Factor Tax Changes](#)

[6. Calculation of Tax Change Variable Rate Rider](#)





Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Hearst Power Distribution Company 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 2010

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	2,322	26,267,362		9.00	0.0156	
GSLT50	General Service Less Than 50 kW	Customer	kWh	391	12,405,535		19.50	0.0066	
GSGT50	General Service 50 to 1,499 kW	Customer	kW	38		53,176	66.00		2.7945
GSGT50	Intermediate With Self Generation	Customer	kW	3		59,721	220.00		1.0077
Sen	Sentinel Lighting	Connection	kW	10		72	7.00		3.0778
SL	Street Lighting	Connection	kW	922		3,084	5.50		1.6027
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**

Hearst Power Distribution Company Limited

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

**Last COS Re-based Year was in 2010**

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 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	2,322	26,267,362	0	9.00	0.0156	0.0000	250,776	409,771	0	660,547
General Service Less Than 50 kW	391	12,405,535	0	19.50	0.0066	0.0000	91,494	81,877	0	173,371
General Service 50 to 1,499 kW	38	0	53,176	66.00	0.0000	2.7945	30,096	0	148,600	178,696
Intermediate With Self Generation	3	0	59,721	220.00	0.0000	1.0077	7,920	0	60,181	68,101
Sentinel Lighting	10	0	72	7.00	0.0000	3.0778	840	0	222	1,062
Street Lighting	922	0	3,084	5.50	0.0000	1.6027	60,852	0	4,943	65,795
							441,978	491,647	213,946	1,147,571



Ontario Energy Board

**2012 IRM 3 Tax Savings Workform**

**Hearst Power Distribution Company 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 2010 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)**

**1. Tax Related Amounts Forecast from Capital Tax Rate Changes**

	2010	2012
Taxable Capital	\$ -	\$ -
Deduction from taxable capital up to \$15,000,000	\$ -	\$ -
Net Taxable Capital	\$ -	\$ -
Rate	0.150%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -

**2. Tax Related Amounts Forecast from Income Tax Rate Changes**

	2010	2012
Regulatory Taxable Income	\$ 58,303	\$ 58,303
Corporate Tax Rate	16.00%	15.50%
Tax Impact	\$ 9,329	\$ 9,037
<b>Grossed-up Tax Amount</b>	<b>\$ 11,106</b>	<b>\$ 10,695</b>

Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 11,106	\$ 10,695
<b>Total Tax Related Amounts</b>	<b>\$ 11,106</b>	<b>\$ 10,695</b>
Incremental Tax Savings		-\$ 411
Sharing of Tax Savings (50%)		-\$ 206



Ontario Energy Board

**2012 IRM 3 Tax Savings Workform**

**Hearst Power Distribution Company 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 A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$660,546.8472	57.56%	-\$118	26,267,362	0	\$0.0000	
General Service Less Than 50 kW	\$173,371	15.11%	-\$31	12,405,535	0	\$0.0000	
General Service 50 to 1,499 kW	\$178,696	15.57%	-\$32	0	53,176		-\$0.0006
Intermediate With Self Generation	\$68,101	5.93%	-\$12	0	59,721		-\$0.0002
Sentinel Lighting	\$1,062	0.09%	\$0	0	72		-\$0.0026
Street Lighting	\$65,795	5.73%	-\$12	0	3,084		-\$0.0038
	<b>\$1,147,571</b> H	<b>100.00%</b>	<b>-\$206</b> I				

## Appendix 4 of 5

# Revenue-to-Cost Ratio Adjustment





Ontario Energy Board

### Revenue/Cost Ratio Model

#### Choose Your Utility:

Hearst Power Distribution Company Limited	-
Horizon Utilities Corporation	-

Application ED-2002-0533

OEB Application IRM3

LDC Licence #: EB-2011-0171

#### Application Contact Information

Name: Steven Blier

Title: General Manager

Phone Number: (705) 372-2815

Email Address: sblier@hearstpower.com

We are applying for rates effective: May 1, 2012

Last COS Re-based Year: 2010

#### Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION

#### Copyright

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*While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.*



Ontario Energy Board

**Revenue/Cost Ratio  
Model**

**Hearst Power Distribution Company Limited**

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[12. Proposed F V Rev Alloc](#)

[13. Proposed F V Rates](#)

[14. Adjust To Proposed Rates](#)



Ontario Energy Board

**Revenue/Cost Ratio Model**

**Hearst Power Distribution Company Limited**

The purpose of this sheet is to set up the rate classes, enter the re-based billing determinants from your last cost of service application and enter the current service charge and volumetric distribution rates as found on your May 1, 2011 (or subsequent) Tariff of rates and charges.

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	Current Tariff Service Charge D	Current Tariff Distribution Volumetric Rate kWh E	Current Tariff Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	2,322	26,267,362		9.00	0.0156	
GSLT50	General Service Less Than 50 kW	Customer	kWh	391	12,405,535		19.50	0.0066	
GSGT50	General Service 50 to 1,499 kW	Customer	kW	38		53,176	66.00		2.7945
GSGT50	Intermediate With Self Generation	Customer	kW	3		59,721	220.00		1.0077
Sen	Sentinel Lighting	Connection	kW	10		72	7.00		3.0778
SL	Street Lighting	Connection	kW	922		3,084	5.50		1.6027
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

**Revenue/Cost Ratio Model**

**Hearst Power Distribution Company Limited**

The purpose of this sheet is to remove any rate adders included in current rates. Most applicants will not need to make an entry on this sheet.

Rate Class	Current Tariff Service Charge A	Current Tariff Distribution Volumetric Rate kWh B	Current Tariff Distribution Volumetric Rate kW C	Service Charge Rate Adders D	Distribution Volumetric kWh Rate Adders E	Distribution Volumetric kW Rate Adders F
Residential	9.00	0.0156	0.0000	0.00	0.0000	0.0000
General Service Less Than 50 kW	19.50	0.0066	0.0000	0.00	0.0000	0.0000
General Service 50 to 1,499 kW	66.00	0.0000	2.7945	0.00	0.0000	0.0000
Intermediate With Self Generation	220.00	0.0000	1.0077	0.00	0.0000	0.0000
Sentinel Lighting	7.00	0.0000	3.0778	0.00	0.0000	0.0000
Street Lighting	5.50	0.0000	1.6027	0.00	0.0000	0.0000



Ontario Energy Board

**Revenue/Cost Ratio Model**

**Hearst Power Distribution Company Limited**

The purpose of this sheet is to calculate current revenue from rate classes.

Rate Class	Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Current Base Service Charge	Current Base Distribution Volumetric Rate kWh	Current Base Distribution Volumetric Rate kW	Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Revenue Requirement from Rates
	A	B	C	D	E	F	$G = A * D * 12$	$H = B * E$	$I = C * F$	I
Residential	2,322	26,267,362	0	9.00	0.0156	0.0000	250,776	409,771	0	660,547
General Service Less Than 50 kW	391	12,405,535	0	19.50	0.0066	0.0000	91,494	81,877	0	173,371
General Service 50 to 1,499 kW	38	0	53,176	66.00	0.0000	2.7945	30,096	0	148,600	178,696
Intermediate With Self Generation	3	0	59,721	220.00	0.0000	1.0077	7,920	0	60,181	68,101
Sentinel Lighting	10	0	72	7.00	0.0000	3.0778	840	0	222	1,062
Street Lighting	922	0	3,084	5.50	0.0000	1.6027	60,852	0	4,943	65,795
							<b>441,978</b>	<b>491,647</b>	<b>213,946</b>	<b>1,147,571</b>



Ontario Energy Board

**Revenue/Cost Ratio Model**

Hearst Power Distribution Company Limited



The purpose of this sheet is to enter the Revenue Cost Ratios as determined from column G on Sheet "C1.5 Proposed R C Ratio Adj" of the applicant's 2011 IRM3 Supplemental Filing Module or 2011 COS Decision and Order.

Under the column labeled "Direction", the applicant can choose "No Change" (i.e: no change in that rate class ratio), "Change" (i.e: Board ordered change from COS decision) or "Rebalance" (i.e: to apply any offset adjustments required).

Rate Class	Direction	Current Year 2011	Transition Year 1 2012	Transition Year 2 2013	Transition Year 3 2014	Transition Year 4 2015	Transition Year 5 2016
Residential	Rebalance	98.00%	tbd	tbd	tbd	tbd	tbd
General Service Less Than 50 kW	No Change	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Service 50 to 1,499 kW	Change	222.00%	180.00%	tbd	tbd	tbd	tbd
Intermediate With Self Generation	No Change	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Sentinel Lighting	No Change	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Street Lighting	Change	50.00%	70.00%	70.00%	70.00%	70.00%	70.00%



Ontario Energy Board

**Revenue/Cost Ratio  
Model**

**Hearst Power Distribution Company Limited**

The purpose of this sheet is to allocate the Revenue Offsets (miscellaneous revenue, cell F47) found in the last COS to the various rate classes in proportion to the allocation from the Cost Allocation informational filing.

Rate Class	Informational Filing	Percentage Split	Allocated Revenue
	Revenue Offsets A		Offsets E = D * C
		C = A / B	
Residential	45,166	65.55%	45,166
General Service Less Than 50 kW	13,725	19.92%	13,725
General Service 50 to 1,499 kW	6,295	9.14%	6,295
Intermediate With Self Generation	1,773	2.57%	1,773
Sentinel Lighting	36	0.05%	36
Street Lighting	1,911	2.77%	1,911
	<b>68,906</b>	<b>100.00%</b>	<b>68,906</b>
	<b>B</b>		<b>D</b>



Ontario Energy Board

**Revenue/Cost Ratio Model**

Hearst Power Distribution Company Limited



The purpose of this sheet is to remove the transformer allowance from volumetric rates. In Cell E47, enter your Transformer Allowance as per your 2011 IRM3 Supplemental Filing Module or your last CoS Decision. Under the column labeled "Transformer Allowance in Rates" select "Yes" if included in that rate class or "No" if not included. Once selected, apply the update button to reveal input cells in which you can enter the number of kW's and the transformer rate for each rate class.

Rate Class	Transformer Allowance In Rate	Transformer Allowance A	Transformer Allowance kW's C	Transformer Allowance Rate E	Volumetric Distribution Rate F	Billed kW's G	Adjusted Volumetric Distribution Rate I=(F*(G-C)+(F-E)*C)/G
Residential		0	0	0.0000	0.0000	0	0.0000
General Service Less Than 50 kW		0	0	0.0000	0.0000	0	0.0000
General Service 50 to 1,499 kW	Yes	14,474	32,164	0.4500	2.7945	53,176	2.5223
Intermediate With Self Generation	Yes	25,673	57,051	0.4500	1.0077	59,721	0.5778
Sentinel Lighting		-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-
		<b>40,147</b>	<b>89,216</b>			<b>112,897</b>	
		<b>B</b>	<b>D</b>			<b>H</b>	
		<b>-</b>	<b>0</b>				





Ontario Energy Board

**Revenue/Cost Ratio Model**

**Hearst Power Distribution Company Limited**

The purpose of this sheet is to calculate revenue by rate class that includes Revenue Offsets and excludes Transformer Allowance prior to Revenue Cost Ratio Adjustment re-allocation.

Rate Class	Billed Customers or Connections		Billed kWh Billed kW		Base Service Charge D	Base Distribution Volumetric Rate kWh E	Base Distribution Volumetric Rate kW F	Service Charge *12	Distribution Volumetric Rate kWh H = B * E	Distribution Volumetric Rate kW I = C * F	Revenue Requirement from Rates J = G + H + I
	A	B	C	C							
Residential	2,322	26,267,362	0	0	9.00	0.0156	0.0000	250,776	409,771	0	660,547
General Service Less Than 50 kW	391	12,405,535	0	0	19.50	0.0066	0.0000	91,494	81,877	0	173,371
General Service 50 to 1,499 kW	38	0	53,176	0	66.00	0.0000	<b>2.5223</b>	30,096	0	134,126	164,222
Intermediate With Self Generation	3	0	59,721	0	220.00	0.0000	<b>0.5778</b>	7,920	0	34,508	42,428
Sentinel Lighting	10	0	72	0	7.00	0.0000	3.0778	840	0	222	1,062
Street Lighting	922	0	3,084	0	5.50	0.0000	1.6027	60,852	0	4,943	65,795
								441,978	491,647	173,799	1,107,424



Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

Proposed Revenue Cost Ratio Adjustment

Rate Class	Adjusted Revenue A	Current Revenue Cost Ratio B	Re-Allocated Cost C = A / B	Proposed Revenue Cost Ratio D	Final Adjusted Revenue E = C * D	Dollar Change F = E - C	Percentage Change G = (E / C) - 1
Residential	\$ 705,713	0.98	\$ 720,115	0.99	\$ 710,891	\$ 5,178	0.7%
General Service Less Than 50 kW	\$ 187,096	1.00	\$ 187,096	1.00	\$ 187,096	\$ -	0.0%
General Service 50 to 1,499 kW	\$ 170,517	2.22	\$ 76,810	1.80	\$ 138,257	-\$ 32,260	-18.9%
Intermediate With Self Generation	\$ 44,201	0.80	\$ 55,251	0.80	\$ 44,201	\$ 0	0.0%
Sentinel Lighting	\$ 1,098	0.70	\$ 1,568	0.70	\$ 1,098	-\$ 0	0.0%
Street Lighting	\$ 67,706	0.50	\$ 135,411	0.70	\$ 94,788	\$ 27,082	40.0%
	<u>\$ 1,176,330</u>		<u>\$ 1,176,251</u>		<u>\$ 1,176,330</u>	<u>\$ 0</u>	<u>0.0%</u>

Out of Balance - 0

Final ? Yes



Ontario Energy Board

**Revenue/Cost Ratio Model**

**Hearst Power Distribution Company Limited**

**Proposed Revenue from Revenue Cost Ratio Adjustment**

Rate Class	Adjusted Revenue By Revenue Cost Ratio A	Allocated Re-Based Revenue Offsets B	Revenue Requirement from Rates Before Transformer Allowance C = A - B	Re-based Transformer Allowance D	Revenue Requirement from Rates E = C + D
Residential	\$ 710,891	\$ 45,166	\$ 665,725	\$ -	\$ 665,725
General Service Less Than 50 kW	\$ 187,096	\$ 13,725	\$ 173,371	\$ -	\$ 173,371
General Service 50 to 1,499 kW	\$ 138,257	\$ 6,295	\$ 131,962	\$ 14,474	\$ 146,436
Intermediate With Self Generation	\$ 44,201	\$ 1,773	\$ 42,428	\$ 25,673	\$ 68,101
Sentinel Lighting	\$ 1,098	\$ 36	\$ 1,062	\$ -	\$ 1,062
Street Lighting	\$ 94,788	\$ 1,911	\$ 92,877	\$ -	\$ 92,877
	<b>\$ 1,176,330</b>	<b>\$ 68,906</b>	<b>\$ 1,107,424</b>	<b>\$ 40,147</b>	<b>\$ 1,147,571</b>





Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

Proposed fixed and variable revenue allocation

Rate Class	Revenue Requirement from Rates A	Service Charge % Revenue B	Distribution Volumetric Rate % Revenue kWh C	Distribution Volumetric Rate % Revenue kW D	Service Charge Revenue E = A * B	Distribution Volumetric Rate Revenue kWh F = A * C	Distribution Volumetric Rate Revenue kW G = A * D	Revenue Requirement from Rates by Rate Class H = E + F + G
Residential	\$ 665,725	38.0%	62.0%	0.0%	\$ 252,742	\$ 412,983	\$ -	\$ 665,725
General Service Less Than 50 kW	\$ 173,371	52.8%	47.2%	0.0%	\$ 91,494	\$ 81,877	\$ -	\$ 173,371
General Service 50 to 1,499 kW	\$ 146,436	16.8%	0.0%	83.2%	\$ 24,663	\$ -	\$ 121,774	\$ 146,436
Intermediate With Self Generation	\$ 68,101	11.6%	0.0%	88.4%	\$ 7,920	\$ -	\$ 60,181	\$ 68,101
Sentinel Lighting	\$ 1,062	79.1%	0.0%	20.9%	\$ 840	\$ -	\$ 222	\$ 1,062
Street Lighting	\$ 92,877	92.5%	0.0%	7.5%	\$ 85,900	\$ -	\$ 6,977	\$ 92,877
	<u>\$ 1,147,571</u>				<u>\$ 463,558</u>	<u>\$ 494,859</u>	<u>\$ 189,153</u>	<u>\$ 1,147,571</u>



Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

Proposed fixed and variable rates

Rate Class	Distribution Volumetric			Re-based Billed			Proposed Base Service Charge G = A / D / 12	Proposed Base Distribution Volumetric Rate kWh H = B / E	Proposed Base Distribution Volumetric Rate kW I = C / F
	Service Charge Revenue	Rate Revenue kWh	Rate Revenue kW	Customers or Connections	Re-based Billed kWh	Re-based Billed kW			
	A	B	C	D	E	F			
Residential	\$ 252,742	\$ 412,983	\$ -	2,322	26,267,362	0	9.07	0.0157	-
General Service Less Than 50 kW	\$ 91,494	\$ 81,877	\$ -	391	12,405,535	0	19.50	0.0066	-
General Service 50 to 1,499 kW	\$ 24,663	\$ -	\$ 121,774	38	0	53,176	54.09	-	2.2900
Intermediate With Self Generation	\$ 7,920	\$ -	\$ 60,181	3	0	59,721	220.00	-	1.0077
Sentinel Lighting	\$ 840	\$ -	\$ 222	10	0	72	7.00	-	3.0778
Street Lighting	\$ 85,900	\$ -	\$ 6,977	922	0	3,084	7.76	-	2.2624



Ontario Energy Board

Revenue/Cost Ratio Model

Hearst Power Distribution Company Limited

Proposed adjustments to Base Service Charge and Distribution Volumetric Rate. Enter the adjustments found in column M and N below into Sheet 17 of the 2012 IRM Rate Generator Model.

Rate Class	Proposed Base			Current Base			Adjustment Required Base Service Charge G = A - D	Adjustment Required Base Distribution Volumetric Rate kWh H = B - E	Adjustment Required Base Distribution Volumetric Rate kW I = C - F
	Proposed Base Service Charge	Proposed Base Distribution Volumetric Rate kWh	Proposed Base Distribution Volumetric Rate kW	Current Base Service Charge	Current Base Distribution Volumetric Rate kWh	Current Base Distribution Volumetric Rate kW			
	A	B	C	D	E	F			
Residential	\$ 9.07	\$ 0.0157	\$ -	\$ 9.00	\$ 0.0156	\$ -	\$ 0.07	\$ 0.0001	\$ -
General Service Less Than 50 kW	\$ 19.50	\$ 0.0066	\$ -	\$ 19.50	\$ 0.0066	\$ -	\$ -	\$ -	\$ -
General Service 50 to 1,499 kW	\$ 54.09	\$ -	\$ 2.2900	\$ 66.00	\$ -	\$ 2.7945	-\$ 11.91	\$ -	-\$ 0.5045
Intermediate With Self Generation	\$ 220.00	\$ -	\$ 1.0077	\$ 220.00	\$ -	\$ 1.0077	\$ -	\$ -	\$ -
Sentinel Lighting	\$ 7.00	\$ -	\$ 3.0778	\$ 7.00	\$ -	\$ 3.0778	\$ -	\$ -	\$ -
Street Lighting	\$ 7.76	\$ -	\$ 2.2624	\$ 5.50	\$ -	\$ 1.6027	\$ 2.26	\$ -	\$ 0.6597

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 2

Tab1

Schedule 1

Appendix5

Appendix 5 of 5

ED Rate Generator

**elenchus** *ED Rate Generator release 1.0 © Elenchus Research Associates*  
Name of LDC: Hearst Power Distribution Company Limited  
OEB Licence Number: ED-2002-0533

## Distributor Information

<b>Distributor Name</b>	Hearst Power Distribution Company Limited
<b>OEB Licence Number</b>	ED-2002-0533
<b>OEB File Number</b>	EB-2011-1264
<b>This Application Type</b>	IRM3
<b>This Application Effective Date</b>	May 1, 2012
<b>Last COS Re-based Year</b>	2010
<b>Last COS OEB Application Number</b>	EB-2009-0266



*ED Rate Generator release 1.0 © Elenchus Research Associates*

**Name of LDC: Hearst Power Distribution Company Limited**

**OEB Licence Number: ED-2002-0533**

**Shared Tax Savings**

Shared Tax Savings - Calculation

Hide

Shared Tax Savings - Rate Rider

Hide

**Applied for Rate Riders**

Amount Requested

Use

LRAM

33,962

Yes

Deferral/Variance Account Disposition (2010)

Yes

Deferral/Variance Account Disposition (2012)

(698,544)

Yes

0

No

0

No

0

No

0

No

0

No

0

No

0

No

0

No

**Distribution Global Adjustment To Non-RPP**

All kWh



*ED Rate Generator release 1.0 © Elenchus Research Associates*  
**Name of LDC: Hearst Power Distribution Company Limited**  
**OEB Licence Number: ED-2002-0533**

## Table of Contents

Sheet Name	Purpose of Sheet
<a href="#">A1.1 Distributor Information</a>	Enter LDC Data
<a href="#">A1.2 This Application</a>	This Application Detail
<a href="#">A2.1 Table of Contents</a>	Table of Contents
<a href="#">B1.1 Rate Classes</a>	Set Up Rate Classes
<a href="#">B1.2 Charge Parameters</a>	Enter Rebased, RRR and Forecasted Charge Parameters
<a href="#">B1.3 Curr Distribution Charges</a>	Enter Distribution Charge Detail
<a href="#">B1.4 Curr Rate Adder Detail</a>	Enter Rate Adder Detail
<a href="#">B1.5 Curr Rate Rider Detail</a>	Enter Rate Rider Detail
<a href="#">B1.6 Curr GA To Non-RPP Cust</a>	Enter Global Adjustment To Non-RPP Customers Detail
<a href="#">B1.7 Curr RTSR Rates</a>	Enter Current Retail Transmission Service Rates
<a href="#">B1.8 Curr Regulatory Rates</a>	Enter Current Wholesale Market Service Rates
<a href="#">B1.9 Curr Other TS Data</a>	Enter Current Other Tariff Sheet Data
<a href="#">B1.10 Curr Spec Svc Charges</a>	Enter Current Specific Service Charges
<a href="#">B1.11 Curr Retail Svc Charges</a>	Enter Current Retail Service Charges
<a href="#">E1.2 Price Cap Adj 1</a>	Cost of Service Adjustment
<a href="#">E1.3 Validate Price Adj 1</a>	Validate Cost of Service Adjustment
<a href="#">G1.1 Prop Distribution Charges</a>	Enter Proposed Distribution Charges
<a href="#">G1.2 Prop Rate Adder Detail</a>	Enter Proposed Rate Adder Detail
<a href="#">G3.1 Calc Rate Rider 1</a>	Calculate Rate Rider for LRAM
<a href="#">G3.2 Calc Rate Rider 2</a>	Calculate Rate Rider for Deferral/Variance Account Disposition (2010)
<a href="#">G3.3 Calc Rate Rider 3</a>	Calculate Rate Rider for Deferral/Variance Account Disposition (2012)
<a href="#">G1.3 Prop Rate Rider Detail</a>	Enter Proposed Rate Rider Detail (not including Global Adjustment To Non-RPP Customers)
<a href="#">G1.4 Prop GA To Non-RPP Cust</a>	Enter Proposed Rate Rider Detail for Global Adjustment To Non-RPP Customers
<a href="#">G1.5 Prop RTSR Rates</a>	Enter Proposed Retail Transmission Service Rates
<a href="#">G1.6 Prop Regulatory Rates</a>	Enter Proposed Wholesale Market Service Rates
<a href="#">G1.7 Prop Other TS Data</a>	Enter Proposed Other Tariff Sheet Data
<a href="#">G1.8 Prop Spec Svc Charges</a>	Enter Proposed Specific Service Charges
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<a href="#">H1.1 Bill Impact Assumptions</a>	Bill Impact Assumptions
<a href="#">H1.2 Calc Bill Impact - RPP</a>	Calculation of Bill Impact - RPP
<a href="#">H1.3 Calc Bill Impact - TOU</a>	Calculation of Bill Impact - TOU
<a href="#">H1.4 Calc Bill Impact - Non-RPP</a>	Calculation of Bill Impact - Non-RPP





Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

## Rate Class Selection

Rate Group	Rate Class	Fixed Metric	Vol Metric
RES	Residential	Customer	kWh
GSLT50	General Service Less Than 50 kV	Customer	kWh
GSGT50	General Service 50 to 1,499 kW	Customer	kW
GSGT50	Intermediate Users	Customer	kW
Sen	Sentinel Lighting	Connection	kW
SL	Street Lighting	Connection	kW
mF	microFIT	Customer	
NA	Rate Class 8	NA	NA
NA	Rate Class 9	NA	NA
NA	Rate Class 10	NA	NA
NA	Rate Class 11	NA	NA
NA	Rate Class 12	NA	NA
NA	Rate Class 13	NA	NA
NA	Rate Class 14	NA	NA
NA	Rate Class 15	NA	NA
NA	Rate Class 16	NA	NA
NA	Rate Class 17	NA	NA
NA	Rate Class 18	NA	NA
NA	Rate Class 19	NA	NA
NA	Rate Class 20	NA	NA
NA	Rate Class 21	NA	NA
NA	Rate Class 22	NA	NA
NA	Rate Class 23	NA	NA
NA	Rate Class 24	NA	NA
NA	Rate Class 25	NA	NA





Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

## Charge Parameters

Last COS Re-based Year **2010**

Last COS OEB Application Number **EB-2009-0266**

Rate Class	Charge Parameters for Impact Analysis			Threshold Parameters for Impact		Non-RPP	
	Billed Customers or Connections	Billed kWh	Billed kW	Average Billed kWh	Average Billed kW	Billed kWh	Billed kW
Residential	2,292	25,225,707	0	917	0	1,577,596	0
General Service Less Than 50 kW	401	11,529,904	0	2,396	0	1,116,135	0
General Service 50 to 1,499 kW	38	17,814,537	49,410	39,067	108	16,326,499	45,283
Intermediate Users	3	18,248,907	59,337	506,914	1,648	18,248,907	59,337
Sentinel Lighting	10	20,027	57	167	0	0	0
Street Lighting	922	1,008,852	3,092	91	0	1,008,852	3,092
microFIT	0	0	0	0	0	0	0



## Current Distribution Charges

### Monthly Fixed Charges

Monthly Service Charge

	Residential Customer	General Service Less Than 50 kW Customer	General Service 50 to 1,499 kW Customer	Intermediate Users Customer	Sentinel Lighting Connection	Street Lighting Connection	microFIT Customer
Monthly Service Charge	9.00	19.50	66.00	220.00	7.00	5.50	5.25
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### Volumetric Charges

Distribution Volumetric Charge

Low Voltage Service Rate

	Residential kWh	General Service Less Than 50 kW kWh	General Service 50 to 1,499 kW kW	Intermediate Users kW	Sentinel Lighting kW	Street Lighting kW	microFIT 0
Distribution Volumetric Charge	0.0156	0.0066	2.7945	1.0077	3.0778	1.6027	0.0000
Low Voltage Service Rate	0.0007	0.0006	0.2270	0.2677	0.1791	0.1755	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000



Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

**Current Rate Rider Detail (not Including Global Adjustment To Non-RPP Customers)**

Monthly Fixed Charges	Effective until	Include (✓) Exclude (X) From Bill Impacts	Residential	General Service	General Service	Intermediate	Sentinel Lighting	Street Lighting	microFIT
			Customer	Less Than 50 kW Customer	50 to 1,499 kW Customer	Users Customer	Connection	Connection	Customer
Recovery of Late Payment Penalty Litigation Costs	April 30, 2012	✓	0.30	0.54	5.35	26.28	0.16	0.02	0.00
Recovery of Foregone Revenue	April 30, 2012	✓	0.24	2.24	5.63	25.06	0.46	0.69	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Used in Bill Impact Calculation			0.54	2.78	10.98	51.34	0.62	0.71	0.00

Volumetric Charges	Effective until	Include (✓) Exclude (X) From Bill Impacts	Residential	General Service	General Service	Intermediate	Sentinel Lighting	Street Lighting	microFIT
			kWh	kWh	kW	kW	kW	kW	0
Deferral/Variance Account Disposition (2010)	April 30, 2013	✓	(0.0043)	(0.0040)	(1.3889)	(1.2268)	(5.5214)	(3.1332)	0.0000
Recovery of Foregone Revenue	April 30, 2012	✓	0.0009	(0.0004)	0.0079	0.0671	0.2111	0.0772	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Used in Bill Impact Calculation			(0.0034)	(0.0044)	(1.3810)	(1.1597)	(5.3103)	(3.0560)	0.0000









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**Name of LDC: Hearst Power Distribution Company Limited**  
**OEB Licence Number: ED-2002-0533**

**Current Other Tariff Sheet Data**

<b>ALLOWANCES</b>	Metric	Current
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.45)
Primary Metering Allowance for transformer losses - applied to measured demand and energy	%	(1.00)
<b>LOSS FACTORS</b>		Current
Total Loss Factor - Secondary Metered Customer < 5,000 kW		1.0460
Total Loss Factor - Secondary Metered Customer > 5,000 kW		N/A
Total Loss Factor - Primary Metered Customer < 5,000 kW		1.0356
Total Loss Factor - Primary Metered Customer > 5,000 kW		N/A





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 Name of LDC: Hearst Power Distribution Company Limited  
 OEB Licence Number: ED-2002-0533

### Current Specific Service Charges

Customer Administration	Metric	Current
Arrears certificate	\$	15.00
Easement letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Special meter reads	\$	30.00

Non-Payment of Account	Metric	Current
Late Payment - per annum	%	1.50
Late Payment - per month	%	19.56
Collection of account charge - no disconnection	\$	30.00
Disconnect/Reconnect at meter - during regular hours	\$	40.00
Disconnect/Reconnect at pole - after regular hours	\$	time and materials

	Metric	Current
Install/Remove load control device - during regular hours	\$	40.00
Temporary service install & remove - overhead - no transformer	\$	time and materials
Temporary service install & remove - underground - no transformer	\$	time and materials
Specific Charge for Access to the Power Poles – \$/per pole/year	\$	22.35



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Name of LDC: **Hearst Power Distribution Company Limited**  
 OEB Licence Number: **ED-2002-0533**

## Current Retail Service Charges

### Retail Service Charges (if applicable)

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

	Metric	Current
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
<b>Service Transaction Requests (STR)</b>		
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



Name of LDC: **Hearst Power Distribution Company Limited**  
 OEB Licence Number: **ED-2002-0533**

**Cost of Service Adjustment**

Metric Applied To	All Rate Cls excl mF/SB
Rates Applied To	Uniform Fix/Vol %
Override Allowed	No
Uniform Percentage	.18%

Rate Class	Fixed Metric	Pre-Price Cap Adj Monthly Fixed Charges	% Adjustment	\$ Adjustment	\$ Override	Adjustment to Pre-Price Cap Adj Base
Residential	Customer	9.07	.18%	0.0163	0.0000	0.0163
General Service Less Than 50 kW	Customer	19.50	.18%	0.0351	0.0000	0.0351
General Service 50 to 1,499 kW	Customer	54.09	.18%	0.0974	0.0000	0.0974
Intermediate Users	Customer	220.00	.18%	0.3960	0.0000	0.3960
Sentinel Lighting	Connection	7.00	.18%	0.0126	0.0000	0.0126
Street Lighting	Connection	7.76	.18%	0.0140	0.0000	0.0140

Rate Class	Vol Metric	Pre-Price Cap Adj Distribution Volumetric Charge	% Adjustment	\$ Adjustment	\$ Override	Adjustment to Pre-Price Cap Adj Base
Residential	kWh	0.0157	.18%	0.0000	0.0000	0.0000
General Service Less Than 50 kW	kWh	0.0066	.18%	0.0000	0.0000	0.0000
General Service 50 to 1,499 kW	kW	2.2900	.18%	0.0041	0.0000	0.0041
Intermediate Users	kW	1.0077	.18%	0.0018	0.0000	0.0018
Sentinel Lighting	kW	3.0778	.18%	0.0055	0.0000	0.0055
Street Lighting	kW	2.2624	.18%	0.0041	0.0000	0.0041

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 Name of LDC: **Hearst Power Distribution Company Limited**  
 OEB Licence Number: **ED-2002-0533**

**Validate Cost of Service Adjustment**

Rate Class	Billed Customers or Connections	Billed kWh	Billed kW	Adjustment to Base			Monthly Fixed Charges \$	Distribution Volumetric Charge kWh	Distribution Volumetric Charge kW	Monthly Fixed Charges \$	Distribution Volumetric Charge kWh	Distribution Volumetric Charge kW	Total Adjustment To Base
				Monthly Fixed Charges \$	Distribution Volumetric Charge kWh	Distribution Volumetric Charge kW							
Residential	2,292	25,225,707	0	0.02	0.0000	0.0000	449	714	0	1,163			
General Service Less Than 50 kW	401	11,529,904	0	0.04	0.0000	0.0000	169	137	0	306			
General Service 50 to 1,499 kW	38	17,814,537	49,410	0.10	0.0000	0.0041	44	0	204	248			
Intermediate Users	3	18,248,907	59,337	0.40	0.0000	0.0018	14	0	108	122			
Sentinel Lighting	10	20,027	57	0.01	0.0000	0.0055	2	0	0	2			
Street Lighting	922	1,008,852	3,092	0.01	0.0000	0.0041	155	0	13	167			
microFIT	0	0	0	0.00	0.0000	0.0000	0	0	0	0			
							833	851	324	2,008			



### Proposed Distribution Charges

#### Monthly Fixed Charges

Monthly Service Charge

Residential Customer	General Service Less Than 50 kW Customer	General Service 50 to 1,499 kW Customer	Intermediate Users Customer	Sentinel Lighting Connection	Street Lighting Connection	microFIT Customer
9.09	19.54	54.18	220.40	7.01	7.78	5.25
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00

#### Volumetric Charges

Distribution Volumetric Charge  
 Low Voltage Service Rate

Residential kWh	General Service Less Than 50 kW kWh	General Service 50 to 1,499 kW kW	Intermediate Users kW	Sentinel Lighting kW	Street Lighting kW	microFIT 0
0.0158	0.0066	2.2941	1.0095	3.0833	2.2665	0.0000
0.0007	0.0006	0.2270	0.2677	0.1791	0.1755	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000



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 OEB Licence Number: **ED-2002-0533**

### Rate Rider for: LRAM

Amount To Be Recovered	33,962	A
Start Date	May 1, 2012	
End Date	April 30, 2013	
Number of Months	12	B
Include in Bill Impact	Yes	
Rate Class Selection	Unique	
Applied to	Volumetric	

Rate Class	Vol Metric	Billed kWh C	Billed kW D	Total Revenue E	Total Revenue G = E / F	Total Revenue Allocated For Recovery H = A * G	Distribution Volumetric Charge kWh I = H / C / B * 12	Distribution Volumetric Charge kW J = H / D / B * 12
Residential	kWh	19,868,483	0	21,402	90.12%	30,606	0.0015	0.0000
General Service Less Than 50 kW	kWh	4,729,493	0	1,369	5.76%	1,958	0.0004	0.0000
General Service 50 to 1,499 kW	kW	0	11,793	978	4.12%	1,398	0.0000	0.1186
Intermediate Users	kW	0	0	0	0.00%	0	0.0000	0.0000
Sentinel Lighting	kW	0	0	0	0.00%	0	0.0000	0.0000
Street Lighting	kW	0	0	0	0.00%	0	0.0000	0.0000
microFIT	0	0	0	0	0.00%	0	0.0000	0.0000
		<u>24,597,976</u>	<u>11,793</u>	<u>23,749</u>	<u>100.00%</u>	<u>33,962</u>		
				F				



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Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

# Rate Rider for: Deferral/Variance Account Disposition (2010)

Amount To Be Recovered	0	A
Start Date	May 1, 2012	
End Date	April 30, 2013	
Number of Months	12	B
Include in Bill Impact	Yes	
Rate Class Selection	Continuing	
Applied to	Volumetric	

Rate Class	Vol Metric	Distribution Volumetric Charge kWh	Distribution Volumetric Charge kW
Residential	kWh	(0.0043)	0.0000
General Service Less Than 50 kW	kWh	(0.0040)	0.0000
General Service 50 to 1,499 kW	kW	0.0000	(1.3889)
Intermediate Users	kW	0.0000	(1.2268)
Sentinel Lighting	kW	0.0000	(5.5214)
Street Lighting	kW	0.0000	(3.1332)
microFIT	0	0.0000	0.0000



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### Rate Rider for: Deferral/Variance Account Disposition (2012)

Amount To Be Recovered	(698,544)	A
Start Date	May 1, 2012	
End Date	April 30, 2016	
Number of Months	48	B
Include in Bill Impact	Yes	
Rate Class Selection	Unique	
Applied to	Volumetric	

Rate Class	Vol Metric	Billed kWh C	Billed kW D	Total Revenue E	Total Revenue G = E / F	Total Revenue Allocated For Recovery H = A * G	Distribution Volumetric Charge kWh I = H / C / B * 12	Distribution Volumetric Charge kW J = H / D / B * 12
Residential	kWh	25,225,707	0	-238,134	34.09%	(238,134)	(0.0024)	0.0000
General Service Less Than 50 kW	kWh	11,529,904	0	-109,074	15.61%	(109,074)	(0.0024)	0.0000
General Service 50 to 1,499 kW	kW	17,814,537	49,410	-168,687	24.15%	(168,687)	0.0000	(0.8535)
Intermediate Users	kW	18,248,907	59,337	-173,006	24.77%	(173,007)	0.0000	(0.7289)
Sentinel Lighting	kW	20,027	57	-188	0.03%	(188)	0.0000	(0.8250)
Street Lighting	kW	1,008,852	3,092	-9,453	1.35%	(9,453)	0.0000	(0.7643)
microFIT	0	0	0	0	0.00%	0	0.0000	0.0000
				-698,544	100.00%	(698,544)		
				F				

Name of LDC: Hearst Power Distribution Company Limited

OEB Licence Number: ED-2002-0533

### Proposed Rate Rider Detail (not Including Global Adjustment To Non-RPP Customers)

#### Monthly Fixed Charges

	Effective until	Include In Bill Impact	Residential	General Service	General Service	Intermediate	Sentinel Lighting	Street Lighting	microFIT
			Customer	Less Than 50 kW Customer	50 to 1,499 kW Customer	Users Customer	Connection	Connection	Customer
LRAM	April 30, 2013	Yes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferral/Variance Account Disposition (2010)	April 30, 2013	Yes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferral/Variance Account Disposition (2012)	April 30, 2016	Yes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total used in Bill Impact Calculation			0.00	0.00	0.00	0.00	0.00	0.00	0.00

#### Volumetric Charges

	Effective until	Include In Bill Impact	Residential	General Service	General Service	Intermediate	Sentinel Lighting	Street Lighting	microFIT
			kWh	Less Than 50 kW kWh	50 to 1,499 kW kW	Users kW	kW	kW	0
LRAM	April 30, 2013	Yes	0.0015	0.0004	0.1186	0.0000	0.0000	0.0000	0.0000
Deferral/Variance Account Disposition (2010)	April 30, 2013	Yes	(0.0043 )	(0.0040 )	(1.3889 )	(1.2268 )	(5.5214 )	(3.1332 )	0.0000
Deferral/Variance Account Disposition (2012)	April 30, 2016	Yes	(0.0024 )	(0.0024 )	(0.8535 )	(0.7289 )	(0.8250 )	(0.7643 )	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total used in Bill Impact Calculation			(0.0051 )	(0.0060 )	(2.1239 )	(1.9557 )	(6.3464 )	(3.8975 )	0.0000



### Proposed Retail Transmission Service Rates

#### Monthly Fixed Charges

	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Residential Customer	General Service Less Than 50 kW Customer	General Service 50 to 1,499 kW Customer	Intermediate Users Customer	Sentinel Lighting Connection	Street Lighting Connection	microFIT Customer
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00

#### Volumetric Charges

Network Service Rate	0.0053	0.0048	1.9983	2.2350	1.5147	1.5070	0.0000
Line and Transformation Connection Service Rate	0.0044	0.0040	1.5826	1.8666	1.2376	1.2124	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Residential kWh	General Service Less Than 50 kW kWh	General Service 50 to 1,499 kW kW	Intermediate Users kW	Sentinel Lighting kW	Street Lighting kW	microFIT 0
0.0053	0.0048	1.9983	2.2350	1.5147	1.5070	0.0000
0.0044	0.0040	1.5826	1.8666	1.2376	1.2124	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

#### Volumetric Charge Override for Bill Impact Override

Network Service Rate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Line and Transformation Connection Service Rate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Residential No	General Service Less Than 50 kW No	General Service 50 to 1,499 kW No	Intermediate Users No	Sentinel Lighting No	Street Lighting No	microFIT No
No	No	No	No	No	No	No
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000





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Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

## Proposed Other Tariff Sheet Data

Applicant requesting change to Other Tariff Sheet Data

No

### ALLOWANCES

	Metric	Current	Proposed
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.45)	(0.45)
Primary Metering Allowance for transformer losses - applied to measured demand and energy	%	(1.00)	(1.00)

### LOSS FACTORS

	Current	
Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0460	1.0460
Total Loss Factor - Secondary Metered Customer > 5,000 kW	N/A	N/A
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0356	1.0356
Total Loss Factor - Primary Metered Customer > 5,000 kW	N/A	N/A

## Proposed Specific Service Charges

Applicant requesting change to Specific Service Charges

No

### Customer Administration

	Metric	Current	Proposed
Arrears certificate	\$	15.00	15.00
Easement letter	\$	15.00	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00	15.00
Returned cheque charge (plus bank charges)	\$	15.00	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00	30.00
Special meter reads	\$	30.00	30.00

### Non-Payment of Account

	Metric	Current	Proposed
Late Payment - per annum	%	1.50	1.50
Late Payment - per month	%	19.56	19.56
Collection of account charge - no disconnection	\$	30.00	30.00
Disconnect/Reconnect at meter - during regular hours	\$	40.00	40.00
Disconnect/Reconnect at pole - after regular hours	\$	time and materials	time and mate

	Metric	Current	Proposed
Install/Remove load control device - during regular hours	\$	40.00	40.00
Temporary service install & remove - overhead - no transformer	\$	time and materials	time and mate
Temporary service install & remove - underground - no transformer	\$	time and materials	time and mate
Specific Charge for Access to the Power Poles – \$/per pole/year	\$	22.35	22.35



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Name of LDC: **Hearst Power Distribution Company Limited**  
 OEB Licence Number: **ED-2002-0533**

## Proposed Retail Service Charges

Applicant Requesting Change To Retail Service Charges

No

### Retail Service Charges (if applicable)

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

	Metric	Current	Proposed
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00	100.00
Monthly Fixed Charge, per retailer	\$	20.00	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	- 0.30	- 0.30
<b>Service Transaction Requests (STR)</b>			
Request fee, per request, applied to the requesting party	\$	0.25	0.25
Processing fee, per request, applied to the requesting party	\$	0.50	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	no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00	2.00



**Bill Impact Assumptions**

Electricity RPP	Current	Proposed
RPP Residential Tier One - Summer	600 kWh	600 kWh
RPP Residential Tier One - Winter	1,000 kWh	1,000 kWh
RPP Non-Residential Tier One - Annual	750 kWh	750 kWh
RPP Tier One \$/kWh	0.0680	0.0680
RPP Tier Two \$/kWh	0.0790	0.0790
RPP TOU		
On-Peak \$/kWh	0.1070	0.1070
Mid-Peak \$/kWh	0.0890	0.0890
Off-Peak \$/kWh	0.0590	0.0590
RPP TOU		
On-Peak	18.0%	18.0%
Mid-Peak	18.0%	18.0%
Off-Peak	64.0%	64.0%
Non-RPP		
Forecast Wholesale Electricity Price (\$ / MWh)	40.15	40.15
Impact of the Global Adjustment (\$ / MWh)	28.22	28.22
	<u>68.37</u>	<u>68.37</u>
Special Purpose Charge	0.0000	0.0000
Debt Retirement Charge	0.0070	0.0070
Harmonized Sales Tax	13.0%	13.0%
Ontario Clean Energy Benefit	-10.0%	-10.0%

**Table ES-1: Average RPP Supply Cost Summary (for the 12 months from May 1, 2011)**

<b>RPP Supply Cost Summary</b>	
for the period from May 1, 2011 through April 30, 2012	
Forecast Wholesale Electricity Price	\$40.15
Load-Weighted Price for RPP Consumers (\$ / MWh)	\$43.41
Impact of the Global Adjustment (\$ / MWh)	+ \$28.22
Total Contract Cost	\$71.27
Market Value	(\$43.05)
Adjustment to Address Bias Towards Unfavourable Variance (\$ / MWh)	+ \$1.00
Adjustment to Clear Existing Variance (\$ / MWh)	+ \$0.35
<b>Average Supply Cost for RPP Consumers (\$ / MWh)</b>	<b>= \$72.98</b>

**Table ES-2: Price Paid by Average RPP Consumer under Tiered and TOU RPP prices**

<b>Tiered RPP Prices</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Average Price</b>	
Price	6.8¢	7.9¢	7.3¢	
% of Consumption	58%	42%		
<b>Time-of-Use RPP Prices</b>	<b>Off-Peak</b>	<b>Mid-Peak</b>	<b>On-Peak</b>	<b>Average Price</b>
Price	5.9¢	8.9¢	10.7¢	7.3¢
% of Consumption	64%	18%	18%	



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Name of LDC: Hearst Power Distribution Company Limited  
 OEB Licence Number: ED-2002-0533

## Calculation of Bill Impact - RPP

RTSR Loss Adjusted Metered kWh	Yes
Residential Season	Summer

### Residential

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	9.00	9.09
Service Charge Rate Adder(s)	\$	2.50	0.00
Service Charge Rate Rider(s)	\$	0.54	0.00
Distribution Volumetric Rate	kWh	0.0156	0.0158
Distribution Volumetric Rate Adder(s)	kWh	0.0000	0.0000
Low Voltage Volumetric Rate	kWh	0.0007	0.0007
Distribution Volumetric Rate Rider(s)	kWh	(0.0034)	(0.0051)
Retail Transmission Rate – Network Service Rate	kWh	0.0052	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	kWh	0.0044	0.0044
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Special Purpose Charge	\$/kWh	0.0000	0.0000
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	0.25

<b>Consumption</b>	<b>800 kWh</b>	<b>0 kW</b>
<b>RPP Tier One</b>	<b>600 kWh</b>	<b>Load Factor</b>

<b>Current Loss Factor</b>	<b>1.0460</b>
<b>Proposed Loss Factor</b>	<b>1.0460</b>

Residential	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	600	0.0680	40.80	600	0.0680	40.80	0.00	0.0%	41.30%
Energy Second Tier (kWh)	237	0.0790	18.71	237	0.0790	18.71	0.00	0.0%	18.94%
<b>Sub-Total: Energy</b>			<b>59.51</b>			<b>59.51</b>	<b>0.00</b>	<b>0.0%</b>	<b>60.24%</b>
Service Charge	1	9.00	9.00	1	9.09	9.09	0.09	1.0%	9.20%
Service Charge Rate Adder(s)	1	2.50	2.50	1	0.00	0.00	-2.50	(100.0)%	0.00%
Service Charge Rate Rider(s)	1	0.54	0.54	1	0.00	0.00	-0.54	(100.0)%	0.00%
Distribution Volumetric Rate	800	0.0156	12.48	800	0.0158	12.64	0.16	1.3%	12.80%
Distribution Volumetric Rate Adder(s)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	800	0.0007	0.56	800	0.0007	0.56	0.00	0.0%	0.57%
Distribution Volumetric Rate Rider(s)	800	-0.0034	-2.72	800	-0.0051	-4.08	-1.36	50.0%	-4.13%
<b>Total: Distribution</b>			<b>22.36</b>			<b>18.21</b>	<b>-4.15</b>	<b>(18.6)%</b>	<b>18.43%</b>
Retail Transmission Rate – Network Service Rate	837	0.0052	4.35	837	0.0053	4.44	0.09	2.1%	4.49%
Retail Transmission Rate – Line and Transformation Connection Service Rate	837	0.0044	3.68	837	0.0044	3.68	0.00	0.0%	3.73%
<b>Total: Retail Transmission</b>			<b>8.03</b>			<b>8.12</b>	<b>0.09</b>	<b>1.1%</b>	<b>8.22%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>30.39</b>			<b>26.33</b>	<b>-4.06</b>	<b>(13.4)%</b>	<b>26.65%</b>
Wholesale Market Service Rate	837	0.0052	4.35	837	0.0052	4.35	0.00	0.0%	4.40%
Rural Rate Protection Charge	837	0.0013	1.09	837	0.0013	1.09	0.00	0.0%	1.10%
Special Purpose Charge	837	0.0000	0.00	837	0.0000	0.00	0.00	0.0%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.25%
<b>Sub-Total: Regulatory</b>			<b>5.69</b>			<b>5.69</b>	<b>0.00</b>	<b>0.0%</b>	<b>5.76%</b>
<b>Debt Retirement Charge (DRC)</b>	800	0.0070	5.60	800	0.00700	5.60	0.00	0.0%	5.67%
<b>Total Bill before Taxes</b>			<b>101.19</b>			<b>97.13</b>	<b>-4.06</b>	<b>(4.0)%</b>	<b>98.33%</b>
HST	101.19	13%	13.15	97.13	13%	12.63	-0.52	(4.0)%	12.79%
<b>Total Bill Before Adjustments</b>			<b>114.34</b>			<b>109.76</b>	<b>-4.58</b>	<b>(4.0)%</b>	<b>111.11%</b>
Ontario Clean Energy Benefit	114.34	-10%	-11.43	109.76	-10%	-10.98	0.46	(4.0)%	-11.11%
<b>Total Bill After Adjustments</b>			<b>102.91</b>			<b>98.78</b>	<b>-4.12</b>	<b>(4.0)%</b>	<b>100.00%</b>



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Name of LDC: Hearst Power Distribution Company Limited  
 OEB Licence Number: ED-2002-0533

## Calculation of Bill Impact - TOU

RTSR Loss Adjusted Metered kWh Yes

### Residential

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	9.00	9.09
Service Charge Rate Adder(s)	\$	2.50	0.00
Service Charge Rate Rider(s)	\$	0.54	0.00
Distribution Volumetric Rate	kWh	0.0156	0.0158
Distribution Volumetric Rate Adder(s)	kWh	0.0000	0.0000
Low Voltage Volumetric Rate	kWh	0.0007	0.0007
Distribution Volumetric Rate Rider(s)	kWh	(0.0034)	(0.0051)
Retail Transmission Rate – Network Service Rate	kWh	0.0052	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	kWh	0.0044	0.0044
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Special Purpose Charge	\$/kWh	0.0000	0.0000
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	0.25

<b>Consumption</b>	<b>800 kWh</b>	<b>0 kW</b>
	<b>Load Factor</b>	

<b>Current Loss Factor</b>	<b>1.0460</b>
<b>Proposed Loss Factor</b>	<b>1.0460</b>

Residential	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy On-Peak	151	0.1070	16.12	151	0.1070	16.12	0.00	0.0%	16.05%
Energy Mid-Peak	151	0.0890	13.41	151	0.0890	13.41	0.00	0.0%	13.35%
Energy Off-Peak	536	0.0590	31.60	536	0.0590	31.60	0.00	0.0%	31.46%
<b>Sub-Total: Energy</b>			<b>61.13</b>			<b>61.13</b>	<b>0.00</b>	<b>0.0%</b>	<b>60.87%</b>
Service Charge	1	9.00	9.00	1	9.09	9.09	0.09	1.0%	9.05%
Service Charge Rate Adder(s)	1	2.50	2.50	1	0.00	0.00	-2.50	(100.0)%	0.00%
Service Charge Rate Rider(s)	1	0.54	0.54	1	0.00	0.00	-0.54	(100.0)%	0.00%
Distribution Volumetric Rate	800	0.0156	12.48	800	0.0158	12.64	0.16	1.3%	12.59%
Distribution Volumetric Rate Adder(s)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	800	0.0007	0.56	800	0.0007	0.56	0.00	0.0%	0.56%
Distribution Volumetric Rate Rider(s)	800	-0.0034	-2.72	800	-0.0051	-4.08	-1.36	50.0%	-4.06%
<b>Total: Distribution</b>			<b>22.36</b>			<b>18.21</b>	<b>-4.15</b>	<b>(18.6)%</b>	<b>18.13%</b>
Retail Transmission Rate – Network Service Rate	837	0.0052	4.35	837	0.0053	4.44	0.09	2.1%	4.42%
Retail Transmission Rate – Line and Transformation Connection Service Rate	837	0.0044	3.68	837	0.0044	3.68	0.00	0.0%	3.66%
<b>Total: Retail Transmission</b>			<b>8.03</b>			<b>8.12</b>	<b>0.09</b>	<b>1.1%</b>	<b>8.09%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>30.39</b>			<b>26.33</b>	<b>-4.06</b>	<b>(13.4)%</b>	<b>26.22%</b>
Wholesale Market Service Rate	837	0.0052	4.35	837	0.0052	4.35	0.00	0.0%	4.33%
Rural Rate Protection Charge	837	0.0013	1.09	837	0.0013	1.09	0.00	0.0%	1.09%
Special Purpose Charge	837	0.0000	0.00	837	0.0000	0.00	0.00	0.0%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.25%
<b>Sub-Total: Regulatory</b>			<b>5.69</b>			<b>5.69</b>	<b>0.00</b>	<b>0.0%</b>	<b>5.67%</b>
Debt Retirement Charge (DRC)	800	0.0070	5.60	800	0.00700	5.60	0.00	0.0%	5.58%
<b>Total Bill before Taxes</b>			<b>102.81</b>			<b>98.75</b>	<b>-4.06</b>	<b>(3.9)%</b>	<b>98.33%</b>
HST	102.81	13%	13.37	98.75	13%	12.84	-0.53	(4.0)%	12.79%
<b>Total Bill Before Adjustments</b>			<b>116.18</b>			<b>111.59</b>	<b>-4.59</b>	<b>(4.0)%</b>	<b>111.11%</b>
Ontario Clean Energy Benefit	116.18	-10%	-11.62	111.59	-10%	-11.16	0.46	(4.0)%	-11.11%
<b>Total Bill After Adjustments</b>			<b>104.56</b>			<b>100.43</b>	<b>-4.13</b>	<b>(3.9)%</b>	<b>100.00%</b>





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Name of LDC: Hearst Power Distribution Company Limited  
 OEB Licence Number: ED-2002-0533

## Calculation of Bill Impact - Non-RPP

RTSR Loss Adjusted Metered kWh **Yes**

### Residential

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Global Adjustment Sub-Account Disposition - Electricity Component	kWh	0.0000	0.0000
Service Charge	\$	9.00	9.09
Service Charge Rate Adder(s)	\$	2.50	0.00
Service Charge Rate Rider(s)	\$	0.54	0.00
Distribution Volumetric Rate	kWh	0.0156	0.0158
Distribution Volumetric Rate Adder(s)	kWh	0.0000	0.0000
Low Voltage Volumetric Rate	kWh	0.0007	0.0007
Global Adjustment Sub-Account Disposition - Delivery Component	kWh	0.0051	0.0020
Distribution Volumetric Rate Rider(s)	kWh	(0.0034)	(0.0051)
Retail Transmission Rate – Network Service Rate	kWh	0.0052	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	kWh	0.0044	0.0044
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Special Purpose Charge	\$/kWh	0.0000	0.0000
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	0.25

<b>Consumption</b>	<b>800</b>	<b>kWh</b>	<b>0.0</b>	<b>kW</b>
			<b>Load Factor</b>	

<b>Current Loss Factor</b>	<b>1.0460</b>
<b>Proposed Loss Factor</b>	<b>1.0460</b>

Residential	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Forecast Wholesale Electricity Price	837	0.0402	33.60	837	0.0402	33.60	0.00	0.0%	34.26%
Impact of the Global Adjustment	837	0.0282	23.61	837	0.0282	23.61	0.00	0.0%	24.07%
Global Adjustment Sub-Account Disposition - Electricity Component	837	0.0000	0.00	837	0.0000	0.00	0.00	0.0%	0.00%
<b>Sub-Total: Energy</b>			<b>57.21</b>			<b>57.21</b>	<b>0.00</b>	<b>0.0%</b>	<b>58.34%</b>
Service Charge	1	9.00	9.00	1	9.09	9.09	0.09	1.0%	9.27%
Service Charge Rate Adder(s)	1	2.50	2.50	1	0.00	0.00	-2.50	(100.0)%	0.00%
Service Charge Rate Rider(s)	1	0.54	0.54	1	0.00	0.00	-0.54	(100.0)%	0.00%
Distribution Volumetric Rate	800	0.0156	12.48	800	0.0158	12.64	0.16	1.3%	12.89%
Distribution Volumetric Rate Adder(s)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.0%	0.00%
Low Voltage Volumetric Rate	800	0.0007	0.56	800	0.0007	0.56	0.00	0.0%	0.57%
Global Adjustment Sub-Account Disposition - Delivery Component	800	0.0051	4.08	800	0.0020	1.60	-2.48	(60.8)%	1.63%
Distribution Volumetric Rate Rider(s)	800	-0.0034	-2.72	800	-0.0051	-4.08	-1.36	50.0%	-4.16%
<b>Total: Distribution</b>			<b>26.44</b>			<b>19.81</b>	<b>-6.63</b>	<b>(25.1)%</b>	<b>20.20%</b>
Retail Transmission Rate – Network Service Rate	837	0.0052	4.35	837	0.0053	4.44	0.09	2.1%	4.53%
Retail Transmission Rate – Line and Transformation Connection Service Rate	837	0.0044	3.68	837	0.0044	3.68	0.00	0.0%	3.75%
<b>Total: Retail Transmission</b>			<b>8.03</b>			<b>8.12</b>	<b>0.09</b>	<b>1.1%</b>	<b>8.28%</b>
<b>Sub-Total: Delivery (Distribution and Retail Transmission)</b>			<b>34.47</b>			<b>27.93</b>	<b>-6.54</b>	<b>(19.0)%</b>	<b>28.48%</b>
Wholesale Market Service Rate	837	0.0052	4.35	837	0.0052	4.35	0.00	0.0%	4.44%
Rural Rate Protection Charge	837	0.0013	1.09	837	0.0013	1.09	0.00	0.0%	1.11%
Special Purpose Charge	837	0.0000	0.00	837	0.0000	0.00	0.00	0.0%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.25%
<b>Sub-Total: Regulatory</b>			<b>5.69</b>			<b>5.69</b>	<b>0.00</b>	<b>0.0%</b>	<b>5.80%</b>
Debt Retirement Charge (DRC)	800	0.0070	5.60	800	0.00700	5.60	0.00	0.0%	5.71%
<b>Total Bill before Taxes</b>			<b>102.97</b>			<b>96.43</b>	<b>-6.54</b>	<b>(6.4)%</b>	<b>98.33%</b>
HST	102.97	13%	13.39	96.43	13%	12.54	-0.85	(6.3)%	12.79%
<b>Total Bill Before Adjustments</b>			<b>116.36</b>			<b>108.97</b>	<b>-7.39</b>	<b>(6.4)%</b>	<b>111.11%</b>
Ontario Clean Energy Benefit	116.36	-10%	-11.64	108.97	-10%	-10.90	0.74	(6.4)%	-11.11%
<b>Total Bill After Adjustments</b>			<b>104.72</b>			<b>98.07</b>	<b>-6.65</b>	<b>(6.4)%</b>	<b>100.00%</b>

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 3

**Exhibit 3**  
**1562 DEFERRED PILS**

## **Exhibit 3**

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### **Tab 1 of 2**

# **1562 Deferred PILs**

1 1562 Deferred PILs

2

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3

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 3

Tab1

Schedule 1

Attachment1

## Attachment 1 of 2

### Updated SIMPILs Models



## Disposition of Balance Recorded in Account 1562 Deferred F

<b>Distributor</b>	<b>Hearst Power Distribution Co. Ltd.</b>
<b>OEB File Number</b>	<b>EB-2011-0171</b>
<b>Filing Year</b>	<b>2002</b>

	A	B	C	D	E
1	<b>PILs TAXES</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Hearst Power Distribution Co. Ltd.			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3%	
22		LCT		0%	
23					
24	Accounting Year End		Date	12-31-2002	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			2,446,312	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			209,527	
42					
43	1999 return from RUD Sheet #7				0
44					
45	Total Incremental revenue			209,527	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			209,527	209,527
48	Amount allowed in 2002				0
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>209,527</b>
55					
56	Equity			1,223,156	
57					
58	Return at target ROE			120,848	
59					
60	Debt			1,223,156	
61					
62	Deemed interest amount in 100% of MARR			88,679	
63					
64	Phase-in of interest - Year 1 (2001)			88,679	
65	$((D43+D47)/D41)*D61$				
66	Phase-in of interest - Year 2 (2002)			88,679	
67	$((D43+D47+D48)/D41)*D61$				
68	Phase-in of interest - Year 3 (2003) and forward			88,679	
69	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
70	Phase-in of interest - 2005			88,679	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>							
7	<b>Reporting period: 2002</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	209,527		-121,314		88,213	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	132,380		40,547		172,927	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				2,722		2,722	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	107,588		126,740		234,328	
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	88,679		-88,679		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	<b>TAXABLE INCOME/ (LOSS)</b>		145,640		-116,106	Before loss C/F	29,534	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%		-19.1200%		0.00%	
54								
55	<b>REGULATORY INCOME TAX</b>		27,846		-27,846	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		27,846		-27,846	Actual	0	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	2,446,312		-2,446,312			
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		0		-2,446,312		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	Overpaid	0	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	2,446,312		-2,446,312			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		-2,446,312		0	
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)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	<b>Net LCT</b>		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>							
7	<b>Reporting period: 2002</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13			\$		\$		\$	
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		19.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	34,429			<b>Actual 2002</b>	0	
91	LCT (proxy tax is grossed-up)	23	0			<b>Actual 2002</b>	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			<b>Actual 2002</b>	0	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	34,429			<b>Actual 2002</b>	0	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (including surtax) from 2002 Utility's tax return			x	19.12%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				18.00%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	145,640			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	19.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	27,846			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	27,846			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	27,846			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>							
7	<b>Reporting period: 2002</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>Brought</b>	
11							<b>From</b>	
12					\$	\$	<b>TAXREC</b>	
13							<b>\$</b>	
150	<b>Ontario Capital Tax</b>							
151	Base			=	2,446,312			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	-2,553,688			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				2,446,312			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	-7,553,688			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				18.00%			
176								
177	<b>Income Tax (grossed-up)</b>			+	0			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	0			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	0			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				88,679			
194	Interest phased-in (Cell C36)				88,679			
195								
196	Variance due to phase-in of debt component of MARR in rates				0			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				0			
202	Total deemed interest (REGINFO CELL D61)				88,679			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				0			
209								
210								
211								

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4		<b>0</b>	<b>Return</b>		
5					<b>Version 2009.1</b>
6	<b>Section A: Identification:</b>				
7	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>				
8	<b>Reporting period: 2002</b>				
9	<b>Taxation Year's start date:</b>				
10	<b>Taxation Year's end date:</b>				
11	<b>Number of days in taxation year:</b>		365	days	
12					
13	<b>Please enter the Materiality Level :</b>		3,058	< - enter materiality level	
14	<b>(0.25% x Rate Base x CER)</b>	Y/N	Y		
15	<b>(0.25% x Net Assets)</b>	Y/N	N		
16	<b>Or other measure (please provide the basis of the amount)</b>	Y/N	N		
17	<b>Does the utility carry on non-wires related operation?</b>	Y/N	N		
18	<b>(Please complete the questionnaire in the Background questionnaire worksheet.)</b>				
19					
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K				
21					
22	<b>Section B: Financial statements data:</b>				
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>				
24	<i>The actual categories of the income statements should be used.</i>				
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>				
26					
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>				
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>				
29					
30	<b>Income:</b>				
31	Energy Sales	+	8,473,547		8,473,547
32	Distribution Revenue	+	693,289		693,289
33	Other Income	+	60,955		60,955
34	Miscellaneous income	+	76,921		76,921
35		+			0
36	Revenue should be entered above this line				
37					
38	<b>Costs and Expenses:</b>				
39	Cost of energy purchased	-	8,525,627		8,525,627
40	Administration	-	328,298		328,298
41	Customer billing and collecting	-			0
42	Operations and maintenance	-	189,647		189,647
43	Amortization	-	172,927		172,927
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	88,213	0	88,213
51	Less: Interest expense for accounting purposes	-			0
52	Provision for payments in lieu of income taxes	-	6,176		6,176
53	<b>Net Income (loss)</b>	=	82,037	0	82,037
54	<i>(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )</i>				
55					
56	<b>Section C: Reconciliation of accounting income to taxable income</b>				
57	<b>From T2 Schedule 1</b>				
58	<b>BOOK TO TAX ADDITIONS:</b>				
59	Provision for income tax	+	6,176	0	6,176
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	172,927	0	172,927
62	Employee benefit plans-accrued, not paid	+		0	0
63	Tax reserves - beginning of year	+	0	0	0
64	Reserves from financial statements- end of year	+	0	0	0
65	Regulatory adjustments on which true-up may apply (see A66)	+			0



	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4		<b>0</b>	<b>Return</b>		
5					<b>Version 2009.1</b>
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		2,722	0	2,722
67	Material addition items from TAXREC 2	+	0	0	0
68	Other addition items (not Material) from TAXREC 2	+	0	0	0
69					
70	Subtotal		181,825	0	181,825
71					
72	Other Additions: (Please explain the nature of the additions)				
73	Recapture of CCA	+			0
74	Non-deductible meals and entertainment expense	+			0
75	Capital items expensed	+			0
76		+			0
77		+			0
78		+			0
79		+			0
80	Total Other Additions	=	0	0	0
81					
82	Total Additions	=	181,825	0	181,825
83					
84	Recap Material Additions:				
85			0	0	0
86			0	0	0
87			0	0	0
88			0	0	0
89			0	0	0
90			0	0	0
91			0	0	0
92	Total Other additions >materiality level		0	0	0
93	Other additions (less than materiality level)		0	0	0
94	Total Other Additions		0	0	0
95					
96	BOOK TO TAX DEDUCTIONS:				
97	Capital cost allowance	-	232,898		232,898
98	Cumulative eligible capital deduction	-	1,430		1,430
99	Employee benefit plans-paid amounts	-			0
100	Items capitalized for regulatory purposes	-			0
101	Regulatory adjustments :	-			0
102	CCA	-			0
103	other deductions	-			0
104	Tax reserves - end of year	-	0	0	0
105	Reserves from financial statements- beginning of year	-	0	0	0
106	Contributions to deferred income plans	-			0
107	Contributions to pension plans	-			0
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0
109	Interest capitalized for accounting deducted for tax	-			0
110	Material deduction items from TAXREC 2	-	0	0	0
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0
112					
113	Subtotal	=	234,328	0	234,328
114	Other deductions (Please explain the nature of the deductions)				
115	Charitable donations - tax basis	-			0
116	Gain on disposal of assets	-			0
117		-			0
118		-			0
119		-			0
120	Total Other Deductions	=	0	0	0
121					
122	Total Deductions	=	234,328	0	234,328
123					
124	Recap Material Deductions:				
125			0	0	0
126			0	0	0

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4		<b>0</b>	<b>Return</b>		
5					<b>Version 2009.1</b>
127			0	0	0
128			0	0	0
129			0	0	0
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0
131	Other Deductions less than materiality level		0	0	0
132	Total Other Deductions		0	0	0
133					
134	<b>TAXABLE INCOME</b>	=	29,534	0	29,534
135	<b>DEDUCT:</b>				
136	Non-capital loss applied <i>positive number</i>	-			0
137	Net capital loss applied <i>positive number</i>	-			0
138					0
139	<b>NET TAXABLE INCOME</b>	=	29,534	0	29,534
140					
141	<b>FROM ACTUAL TAX RETURNS</b>				
142	Net Federal Income Tax <i>(Must agree with tax return)</i>	+			0
143	Net Ontario Income Tax <i>(Must agree with tax return)</i>	+			0
144	Subtotal	=	0	0	0
145	Less: Miscellaneous tax credits <i>(Must agree with tax returns)</i>	-	0		0
146	<b>Total Income Tax</b>	=	0	0	0
147					
148	<b>FROM ACTUAL TAX RETURNS</b>				
149	Net Federal Income Tax Rate <i>(Must agree with tax return)</i>		0.00%		0.00%
150	Net Ontario Income Tax Rate <i>(Must agree with tax return)</i>		0.00%		0.00%
151	Blended Income Tax Rate		0.00%	*****	0.00%
152					
153	<b>Section F: Income and Capital Taxes</b>				
154					
155	<b>RECAP</b>				
156	Total Income Taxes	+	0	0	0
157	Ontario Capital Tax	+			0
158	Federal Large Corporations Tax	+			0
159					
160	<b>Total income and capital taxes</b>	=	0	0	0



	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59					0	
60					0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: <b>Hearst Power Distribution Co. Ltd.</b>					
9	Reporting period: <b>2002</b>					
10	Number of days in taxation year:		365			
11	Materiality Level:		3,058			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
9	<b>Reporting period: 2002</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		3,058			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2002</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Statement of partnership interest T5013 - net business incom	+	2,722		2,722	
45		+			0	
46		+				
47	<b>Total Additions on which true-up does not apply</b>	=	2,722	0	2,722	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

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

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

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

## Disposition of Balance Recorded in Account 1562 Deferred F

Distributor	Hearst Power Distribution Co. Ltd.
OEB File Number	EB-2011-0171
Filing Year	2003



	A	B	C	D	E
1	<b>PILs TAXES</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Hearst Power Distribution Co. Ltd.			Colour Code	
4	Reporting period: 2003			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3%	
22		LCT		0%	
23					
24	Accounting Year End		Date	31-Dec-03	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			2,446,312	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			209,527	
42					
43	1999 return from RUD Sheet #7				0
44					
45	Total Incremental revenue			209,527	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001				0
48	Amount allowed in 2002			209,527	209,527
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				<b>209,527</b>
55					
56	Equity			1,223,156	
57					
58	Return at target ROE			120,848	
59					
60	Debt			1,223,156	
61					
62	Deemed interest amount in 100% of MARR			88,679	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	$((D43+D47)/D41)*D61$				
66	Phase-in of interest - Year 2 (2002)			88,679	
67	$((D43+D47+D48)/D41)*D61$				
68	Phase-in of interest - Year 3 (2003) and forward			88,679	
69	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
70	Phase-in of interest - 2005			88,679	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Hearst Power Distribution Co. Ltd.							
7	Reporting period: 2003							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	209,527		-209,527		0	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	132,380		35,616		167,996	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				5,371		5,371	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	107,588		73,916		181,504	
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	88,679		-88,679		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		145,640		-153,777	Before loss C/F	-8,137	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%		-19.1200%		0.00%	
54								
55	REGULATORY INCOME TAX		27,846		-27,846	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		27,846		-27,846	Actual	0	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	2,446,312		-2,446,312			
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		0		-2,446,312		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	Overpaid	0	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	2,446,312		-2,446,312			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		-2,446,312		0	
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)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Hearst Power Distribution Co. Ltd.							
7	Reporting period: 2003							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		19.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	34,429			<b>Actual 2003</b>	0	
91	LCT (proxy tax is grossed-up)	23	0			<b>Actual 2003</b>	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			<b>Actual 2003</b>	0	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	34,429			<b>Actual 2003</b>	0	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (including surtax) from 2003 Utility's tax return			x	18.62%			
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)				17.50%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	145,640			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	18.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	27,118			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	27,118			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	27,846			
147								
148	Regulatory Income Tax Variance			=	-728			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>							
7	<b>Reporting period: 2003</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13							<b>\$</b>	
150	<b>Ontario Capital Tax</b>							
151	Base			=	2,446,312			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	-2,553,688			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				2,446,312			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	-7,553,688			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%			
176								
177	<b>Income Tax (grossed-up)</b>			+	-883			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-883			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-883			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				88,679			
194	Interest phased-in (Cell C36)				88,679			
195								
196	Variance due to phase-in of debt component of MARR in rates				0			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				0			
202	Total deemed interest (REGINFO CELL D61)				88,679			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				0			
209								
210								

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Hearst Power Distribution Co. Ltd.					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year: 365 days					
12						
13	Please enter the Materiality Level : 3,058 < - enter materiality level					
14	(0.25% x Rate Base x CER) Y/N Y					
15	(0.25% x Net Assets) Y/N N					
16	Or other measure (please provide the basis of the amount) Y/N N					
17	Does the utility carry on non-wires related operation? Y/N N					
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	7,203,450		7,203,450	
32	Distribution Revenue	+	639,722		639,722	
33	Other Income	+	97,991		97,991	
34	Miscellaneous income	+	58,385		58,385	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	7,310,843		7,310,843	
40	Administration	-	329,582		329,582	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	191,127		191,127	
43	Amortization	-	167,996		167,996	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	0	0	0	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes	-			0	
53	<b>Net Income (loss)</b>	=	0	0	0	
54	<i>(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )</i>					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	167,996	0	167,996	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		5,371	0	5,371	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<i>Subtotal</i>		173,367	0	173,367	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					



	A	B	C	D	E	F
1	PILs TAXES	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	173,367	0	173,367	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	180,174		180,174	
98	Cumulative eligible capital deduction	-	1,330		1,330	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	181,504	0	181,504	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118		-			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	181,504	0	181,504	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	-8,137	0	-8,137	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	-8,137	0	-8,137	
140						

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+			0	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	0	0	0	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	*****	0.00%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+			0	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	0	0	0	
161						
162						

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
8	<b>Reporting period: 2003</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
65						
66						



	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		3,058			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		3,058			
12						
13						
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						
123						
124						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2003</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>	+			0	
36	Interest and penalties on unpaid taxes	+			0	
37	Management bonuses unpaid after 180 days of year end	+			0	
38	Imputed interest expense on Regulatory Assets	+			0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Statement of partnership interest T5013 - net business incom	+	5,371		5,371	
45		+			0	
46		+				
47	<b>Total Additions on which true-up does not apply</b>	=	5,371	0	5,371	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

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

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

	A	B	C	D	E	F	G	H	I	J	K
1	<b>PILs TAXES</b>										
2	<b>Analysis of PILs Tax Account 1562:</b>										
3	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>										
4	<b>Reporting period: 2003</b>										
5											
6											
7											
8	<b>Year start:</b>		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005
9	<b>Year end:</b>		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005
10											
11	<b>Opening balance:</b>	=	0		0		0		-883		-883
12	<b>Board-approved PILs tax proxy from Decisions (1)</b>	+/-									
14	<b>True-up Variance Adjustment Q4, 2001 (2)</b>	+/-									
16	<b>True-up Variance Adjustment (3)</b>	+/-					0				
18	<b>Deferral Account Variance Adjustment Q4, 2001 (4)</b>	+/-									
20	<b>Deferral Account Variance Adjustment (5)</b>	+/-					-883				
22	<b>Adjustments to reported prior years' variances (6)</b>	+/-									
23	<b>Carrying charges (7)</b>	+/-									
25	<b>PILs billed to (collected from) customers (8)</b>	-									
26			0		0		-883		-883		-883
27	<b>Ending balance: # 1562</b>		0		0		-883		-883		-883
28											
29											
30											
31	<b>Uncollected PILs</b>										
32											
33	<b>NOTE:</b> The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.										
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.										
35											
36	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>										
37											
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.										
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.										
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.										
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.										
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.										
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.										
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.										
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.										
46											
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be										
48	trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.										
49											
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.										
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.										
52											
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be										
54	trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.										
55											
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.										
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.										
58											
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.										
60											
61	(7) Carrying charges are calculated on a simple interest basis.										
62											
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate										
64	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the										
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.										
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.										
67											
68	(ii) Collections should equal: (a) the actual volumes/ load (kW/hs, kW, Kva) for the period (including net unbilled at period end), multiplied										
69	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;										
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.										
71											
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,										
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.										
74											
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,										
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used										
77	to calculate the recovery for the period January 1 to March 31, 2005.										
78											
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes										
80	will have to include amounts from 1562 and from 1590.										
81											

	L	M	N	O
1				
2				
3				Version 2009.1
4				0
5				
6				
7				
8		01/01/2006		
9		30/04/2006		Total
10				
11		-883		0
12				0
14				0
16				0
18				0
20				-883
22				0
23				0
25				0
26				
27		-883		-883
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81				

## Disposition of Balance Recorded in Account 1562 D

Distributor	Hearst Power Distribution Co. Ltd.
OEB File Number	EB-2011-0171
Filing Year	2004



**Deferred PILs**

	A	B	C	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Hearst Power Distribution Co. Ltd.			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		2.4490%	
22		LCT		2.4490%	
23					
24	Accounting Year End		Date	31-Dec-04	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			2,446,312	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			209,527	
42					
43	1999 return from RUD Sheet #7				0
44					
45	Total Incremental revenue			209,527	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001				0
48	Amount allowed in 2002			209,527	209,527
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				209,527
55					
56	Equity			1,223,156	
57					
58	Return at target ROE			120,848	
59					
60	Debt			1,223,156	
61					
62	Deemed interest amount in 100% of MARR			88,679	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	$((D43+D47)/D41)*D61$				
66	Phase-in of interest - Year 2 (2002)			88,679	
67	$((D43+D47+D48)/D41)*D61$				
68	Phase-in of interest - Year 3 (2003) and forward			88,679	
69	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
70	Phase-in of interest - 2005			88,679	
71					
72					
73					

	A	B	C	D	E	F	G	H
1	PILs TAXES - EB-2008-381	ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Hearst Power Distribution Co. Ltd.							
7	Reporting period: 2004							
8							Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	209,527		-158,527		51,000	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	132,380		-1,321		131,059	
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			2,230		2,230	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	107,588		17,165		124,753	
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	88,679		-88,679		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		145,640		-86,104	Before loss C/F	59,536	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%		-19.1200%		0.00%	
54								
55	REGULATORY INCOME TAX		27,846		-27,846	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		27,846		-27,846	Actual	0	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	2,446,312		-2,446,312			
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		0		-2,446,312		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	Overpaid	0	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	2,446,312		-2,446,312			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		40,000,000		50,000,000	
77	Taxable Capital		0		37,553,688		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Hearst Power Distribution Co. Ltd.							
7	Reporting period: 2004							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		19.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	34,429			<b>Actual 2004</b>	0	
91	LCT (proxy tax is grossed-up)	23	0			<b>Actual 2004</b>	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			<b>Actual 2004</b>	0	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	34,429			<b>Actual 2004</b>	0	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (including surtax) from 2004 Utility's tax return			x	18.62%			
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)				17.50%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	145,640			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	18.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	27,118			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	27,118			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	27,846			
147								
148	Regulatory Income Tax Variance			=	-728			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>							
7	<b>Reporting period: 2004</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12					\$	\$	\$	
13								
150	<b>Ontario Capital Tax</b>							
151	Base			=	2,446,312			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	-2,553,688			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				2,446,312			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-47,553,688			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%			
176								
177	<b>Income Tax (grossed-up)</b>			+	-883			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-883			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-883			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				88,679			
194	Interest phased-in (Cell C36)				88,679			
195								
196	Variance due to phase-in of debt component of MARR in rates				0			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				0			
202	Total deemed interest (REGINFO CELL D61)				88,679			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				0			
209								
210								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Hearst Power Distribution Co. Ltd.					
8	Reporting period: 2004					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year: 365 days					
12						
13	Please enter the Materiality Level : 3,058 < - enter materiality level					
14	(0.25% x Rate Base x CER) Y/N Y					
15	(0.25% x Net Assets) Y/N N					
16	Or other measure (please provide the basis of the amount) Y/N N					
17	Does the utility carry on non-wires related operation? Y/N N					
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	7,808,701		7,808,701	
32	Distribution Revenue	+	641,277		641,277	
33	Other Income	+	93,868		93,868	
34	Miscellaneous income	+	73,132		73,132	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	7,782,580		7,782,580	
40	Administration	-	340,367		340,367	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	224,402		224,402	
43	Amortization	-	131,059		131,059	
44	Ontario Capital Tax	-			0	
45	Transformer Allowance	-	87,570		87,570	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	51,000	0	51,000	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes	-	10,025		10,025	
53	<b>Net Income (loss)</b>	=	40,975	0	40,975	
54	<i>(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )</i>					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	10,025	0	10,025	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	131,059	0	131,059	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<i>Subtotal</i>		141,084	0	141,084	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	Income from 2003 not recorded last year	+	2,230		2,230	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	2,230	0	2,230	
81						
82	Total Additions	=	143,314	0	143,314	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	<i>Total Other additions &gt;materiality level</i>		0	0	0	
93	Other additions (less than materiality level)		2,230	0	2,230	
94	Total Other Additions		2,230	0	2,230	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	123,516		123,516	
98	Cumulative eligible capital deduction	-	1,237		1,237	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	124,753	0	124,753	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118		-			0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	Total Deductions	=	124,753	0	124,753	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	59,536	0	59,536	
135	DEDUCT:					
136	Non-capital loss applied <b>positive number</b>	-	8,137		8,137	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	51,399	0	51,399	
140						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+			0	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	0	0	0	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	*****	0.00%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+			0	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	0	0	0	
161						
162						



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
8	<b>Reporting period: 2004</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
65						
66						
67						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		3,058			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations <i>(Only if it benefits ratepayers)</i>	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	<b>Recap of Material Additions:</b>					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		3,058			
12						
13						
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-			0	
95		-			0	
96		-			0	
97	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
98		-			0	
99		-			0	
100		-			0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						
126						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2004</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>	+			0	
36	Interest and penalties on unpaid taxes	+			0	
37	Management bonuses unpaid after 180 days of year end	+			0	
38	Imputed interest expense on Regulatory Assets	+			0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	

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

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-381						
2	Corporate Tax Rates <span style="float: right;">Version 2009.1</span>						
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Hearst Power Distribution Co. Ltd.						
5	Reporting period: 2004						
6							
7							
8	Table 1						
9	<b>Rates Used in 2002 RAM PILs Applications for 2002</b>						
9	Income Range		0 to 200,000		200,001 to 700,000		>700,000
10	RAM 2002						
11		Year					
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%		26.12%
15	and Ontario blended		6.00%		6.00%		12.50%
16	Blended rate		19.12%		34.12%		38.62%
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
23	<b>**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing</b>						
24							
25	Table 2						
26	<b>Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004</b>						
27	Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000		>1,128,000
28	Expected Rates						
29		Year					
30	Income Tax Rate						
31	Current year	2004					
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%
33	Ontario		5.50%	5.50%	9.75%		14.00%
34	Blended rate		18.62%	27.62%	31.87%		36.12%
35							
36	Capital Tax Rate		0.300%				
37	LCT rate		0.200%				
38	Surtax		1.12%				
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000				
41	<b>*** Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>						
42							
43	Table 3						
44	<b>Input Information from Utility's Actual 2004 Tax Returns</b>						
45	Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000		>1,128,000
46							
47		Year					
48	Income Tax Rate						
49	Current year	2004					
50	Federal (Includes surtax)		13.12%	22.12%	22.29%		22.12%
51	Ontario		5.50%	5.50%	13.77%		14.00%
52	Blended rate		18.62%	27.62%	36.06%		36.12%
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.200%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5MM	5,000,000				
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000				
59	<b>* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36</b>						
60							
61							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>PILs TAXES - EB-2008-381</b>														
2	<b>Analysis of PILs Tax Account 1562:</b>														
3	Utility Name: Hearst Power Distribution Co. Ltd.														Version 2009.1
4	Reporting period: 2004														0
5	Sign Convention: + for increase; - for decrease														
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		0		0		0		-883		-883		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-							0						0
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-													0
20	Deferral Account Variance Adjustment (5)	+/-							-883						-883
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0		0		0		-883		-883		-883		-883
28															
29															
30															
31	<b>Uncollected PILs</b>														
32															
33	<b>NOTE:</b> The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
45	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
46															
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
64	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														

## Disposition of Balance Recorded in Account 1562 Deferred F

Distributor	Hearst Power Distribution Co. Ltd.
OEB File Number	EB-2011-0171
Filing Year	2005



	A	B	C	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Hearst Power Distribution Co. Ltd.			Colour Code	
4	Reporting period: 2005			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		3.0000%	
22		LCT			
23					
24	Accounting Year End		Date	31-Dec-05	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			2,446,312	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			209,527	
42					
43	1999 return from RUD Sheet #7				0
44					
45	Total Incremental revenue			209,527	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001				0
48	Amount allowed in 2002			209,527	209,527
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				
52	Other Board-approved changes to MARR or incremental revenue				
53					16,045
54	<b>Total Regulatory Income</b>				<b>225,572</b>
55					
56	Equity			1,223,156	
57					
58	Return at target ROE			120,848	
59					
60	Debt			1,223,156	
61					
62	Deemed interest amount in 100% of MARR			88,679	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	$((D43+D47)/D41)*D61$				
66	Phase-in of interest - Year 2 (2002)			88,679	
67	$((D43+D47+D48)/D41)*D61$				
68	Phase-in of interest - Year 3 (2003) and forward			88,679	
69	$((D43+D47+D48)/D41)*D61$ (due to Bill 210)				
70	Phase-in of interest - 2005			88,679	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Hearst Power Distribution Co. Ltd.							
7	Reporting period: 2005							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12			\$		\$		\$	
13								
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	225,572		-223,785		1,787	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	132,380		-23,430		108,950	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	107,588		-9,618		97,970	
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	88,679		-88,679		0	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		161,685		-148,918	Before loss C/F	12,767	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	18.62%		-18.6200%		0.00%	
54								
55	REGULATORY INCOME TAX		30,106		-30,106	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		30,106		-30,106	Actual	0	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	2,446,312		-2,446,312			
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		0		7,500,000	
68	Taxable Capital		0		-2,446,312		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	Overpaid	0	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	2,446,312		-2,446,312			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		0		50,000,000	
77	Taxable Capital		0		-2,446,312		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	Utility Name: Hearst Power Distribution Co. Ltd.							
7	Reporting period: 2005							
8							<b>Column</b>	
9	Days in reporting period:	365	days				<b>Brought</b>	
10	Total days in the calendar year:	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12					\$	\$	\$	
13								
86	<b>III) INCLUSION IN RATES</b>							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		18.62%					
89								
90	Income Tax (proxy tax is grossed-up)	22	36,994			<b>Actual 2005</b>	0	
91	LCT (proxy tax is grossed-up)	23	0			<b>Actual 2005</b>	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			<b>Actual 2005</b>	0	
93								
94								
95	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002</b>	25	36,994			<b>Actual 2005</b>	0	
96	<b>RAM DECISION</b>							
97								
98								
99	<b>IV) FUTURE TRUE-UPS</b>							
100	<b>IV a) Calculation of the True-up Variance</b>				<b>DR/(CR)</b>			
101	<b>In Additions:</b>							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	<b>In Deductions - positive numbers</b>							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (including surtax) from 2005 Utility's tax return			x	18.62%			
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)				17.50%			
131								
132	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
133								
134	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	161,685			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	18.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	30,106			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	30,106			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	30,106			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		M of F	M of F	<b>Tax</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Filing	Filing	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>							
7	<b>Reporting period: 2005</b>							
8							<b>Column</b>	
9	<b>Days in reporting period:</b>	365	days				<b>Brought</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>From</b>	
11							<b>TAXREC</b>	
12					\$	\$	<b>\$</b>	
13								
150	<b>Ontario Capital Tax</b>							
151	Base			=	2,446,312			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
153	Revised deemed taxable capital			=	-5,053,688			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				2,446,312			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	-47,553,688			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%			
176								
177	<b>Income Tax (grossed-up)</b>			+	0			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	0			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	0			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	0			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				88,679			
194	Interest phased-in (Cell C36)				88,679			
195								
196	Variance due to phase-in of debt component of MARR in rates				0			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				0			
202	Total deemed interest (REGINFO CELL D61)				88,679			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				0			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Hearst Power Distribution Co. Ltd.					
8	Reporting period: 2005					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year: 365 days					
12						
13	Please enter the Materiality Level : 3,058 < - enter materiality level					
14	(0.25% x Rate Base x CER) Y/N Y					
15	(0.25% x Net Assets) Y/N N					
16	Or other measure (please provide the basis of the amount) Y/N N					
17	Does the utility carry on non-wires related operation? Y/N N					
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	8,813,919		8,813,919	
32	Distribution Revenue	+	640,752		640,752	
33	Other Income	+	55,324		55,324	
34	Miscellaneous income	+	102,393		102,393	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	8,881,744		8,881,744	
40	Administration	-	313,123		313,123	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	306,784		306,784	
43	Amortization	-	108,950		108,950	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	1,787	0	1,787	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes	-	-23,253		-23,253	
53	<b>Net Income (loss)</b>	=	25,040	0	25,040	
54	<i>(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )</i>					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	-23,253	0	-23,253	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	108,950	0	108,950	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<i>Subtotal</i>		85,697	0	85,697	
71						
72	<i>Other Additions: (Please explain the nature of the additions)</i>					



	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	Total Additions	=	85,697	0	85,697	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	<i>Total Other additions &gt;materiality level</i>		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	96,820		96,820	
98	Cumulative eligible capital deduction	-	1,150		1,150	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	97,970	0	97,970	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118		-			0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	Total Deductions	=	97,970	0	97,970	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	12,767	0	12,767	
135	DEDUCT:					
136	Non-capital loss applied <b>positive number</b>	-			0	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	NET TAXABLE INCOME	=	12,767	0	12,767	
140						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax (Must agree with tax return)	+			0	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	0	0	0	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	*****	0.00%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+			0	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	0	0	0	
161						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe					
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
65						



	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		3,058			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		3,058			
12						
13						
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-				
95		-			0	
96		-			0	
97	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
98		-			0	
99		-			0	
100		-			0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	<b>Utility Name: Hearst Power Distribution Co. Ltd.</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2005</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Income from joint ventures or partnerships	+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2008-381									
2	Corporate Tax Rates									
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Hearst Power Distribution Co. Ltd.									
5	Reporting period: 2005									
6										
7										
8	Version 2009.1									
9										
10	Table 1									
11	<b>Rates Used in 2005 RAM PILs Applications for 2005</b>									
12	Income Range		0 to 400,000		400,001 to 1,128,000		>1128000			
13	RAM 2002	Year								
14	Income Tax Rate									
15	Proxy Tax Year	2005								
16	Federal (Includes surtax)		13.12%		17.75%		22.12%			
17	and Ontario blended		5.50%		9.75%		14.00%			
18	Blended rate		18.62%		27.50%		36.12%			
19	Capital Tax Rate		0.300%							
20	LCT rate		0.175%							
21	Surtax		1.12%							
22	Ontario Capital Tax Exemption **	MAX \$7.5MM	7,500,000							
23	Federal Large Corporations Tax Exemption **	MAX \$50MM	50,000,000							
24	<b>**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing</b>									
25										
26	Table 2									
27	<b>Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005</b>									
28	Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000		>1,128,000			
29	Expected Rates	Year								
30	Income Tax Rate									
31	Current year	2005								
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
33	Ontario		5.50%	5.50%	9.75%		14.00%			
34	Blended rate		18.62%	27.62%	31.87%		36.12%			
35	Capital Tax Rate		0.300%							
36	LCT rate		0.225%							
37	Surtax		1.12%							
38	Ontario Capital Tax Exemption *** 2002	MAX \$7.5MM	7,500,000							
39	Federal Large Corporations Tax Exemption *** 2002	MAX \$50MM	50,000,000							
40	<b>***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.</b>									
41										
42										
43	Table 3									
44	<b>Input Information from Utility's Actual 2005 Tax Returns</b>									
45	Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000		>1,128,000			
46		Year								
47	Income Tax Rate									
48	Current year	2005								
49	Federal (Includes surtax)		13.12%	22.12%	22.12%		22.12%			
50	Ontario		5.50%	5.50%	9.75%		14.00%			
51	Blended rate		18.62%	27.62%	31.87%		36.12%			
52	Capital Tax Rate		0.300%							
53	LCT rate		0.200%							
54	Surtax		1.12%							
55	Ontario Capital Tax Exemption *	MAX \$7.5MM	7,500,000							
56	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000							
57	<b>* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36</b>									
58										
59										
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Hearst Power Distribution Co. Ltd.														Version 2009.1
4	Reporting period: 2005														0
5															
6															
7															
8	Year start:		01/10/2001	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006							
9	Year end:		31/12/2001	31/12/2002	31/12/2003	31/12/2004	31/12/2005	30/04/2006	Total						
10															
11	Opening balance:	=		0	0	0	0	0	0						
12	Board-approved PILs tax proxy from Decisions (1)	+/-							0						
14	True-up Variance Adjustment Q4, 2001 (2)	+/-							0						
16	True-up Variance Adjustment (3)	+/-						0	0						
18	Deferral Account Variance Adjustment Q4, 2001 (4)								0						
20	Deferral Account Variance Adjustment (5)	+/-						0	0						
22	Adjustments to reported prior years' variances (6)	+/-							0						
23	Carrying charges (7)	+/-							0						
25	PILs billed to (collected from) customers (8)	-	0						0						
26															
27	Ending balance: # 1562		0	0	0	0	0	0	0						
28															
29															
30															
31	Uncollected PILs														
32															
33	<b>NOTE:</b> The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
46															
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
64	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															
82															

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 3

Tab1

Schedule 1

Attachment2

## Attachment 2 of 2

# Disposition 1562 Deferred PILs

## Distributor Information

**Applicant Name**

Hearst Power Distribution Company Limited

**OEB Licence Number**

ED-2002-0533



## Table of Contents

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



Name of LDC: Hearst Power Distribution Company Limi

OEB Licence Number: ED-2002-0533

## Prescribed Interest Rates

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

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Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

## Annual Interest

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

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

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

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

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

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

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

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

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

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

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

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

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

**Name of LDC: Hearst Power Distribution Company Limited**

**OEB Licence Number: ED-2002-0533**

### **PILs Tax Proxy**

	Year	Amount
Board-approved PILs tax proxy from Decisions	2001	0
Board-approved PILs tax proxy from Decisions	2002	34,429
Board-approved PILs tax proxy from Decisions	2005	36,994

**Name of LDC: Hearst Power Distribution Company Limited**

**OEB Licence Number: ED-2002-0533**

## Rate Class Selection

**Rate Group Rate Class Fixed Metric Vol Metric**

RES	Residential	Customer	kWh
NA	Rate Class 2	NA	NA
NA	Rate Class 3	NA	NA
NA	Rate Class 4	NA	NA
NA	Rate Class 5	NA	NA
NA	Rate Class 6	NA	NA
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









**PILs Recovered April to December 2004**

Rate Class	Fixed Metric	PILs Rate Apr to Dec 2004 <b>A</b>	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2004 <b>B</b>	PILs Recovered <b>C = A * B * 9</b>
Residential	Customer	0.000000	0.0000	0	0
				0	0
Rate Class	Vol Metric	PILs Rate Apr to Dec 2004 <b>A</b>	Distribution Charge	kWh/kW Billed Apr To Dec 2004 <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	1.000000	0.0000	25,530	25,530
				25,530	25,530
					25,530

**PILs Recovered January to March 2005**

Rate Class	Fixed Metric	PILs Rate Jan To Mar 2005 <b>A</b>	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2005 <b>B</b>	PILs Recovered <b>C = A * B * 3</b>
Residential	Customer	0.000000	0.0000	0 0	0 0
Rate Class	Vol Metric	PILs Rate Jan To Mar 2005 <b>A</b>	Distribution Charge	kWh/kW Billed Jan To Mar 2005 <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	1.000000	0.0000	4,983 4,983	4,983 4,983
					4,983

**PILs Recovered April to December 2005**

Rate Class	Fixed Metric	PILs Rate Apr to Dec 2005 <b>A</b>	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2005 <b>B</b>	PILs Recovered <b>C = A * B * 9</b>
Residential	Customer	0.000000	0.0000	0 0	0 0
Rate Class	Vol Metric	PILs Rate Apr to Dec 2005 <b>A</b>	Distribution Charge	kWh/kW Billed Apr To Dec 2005 <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	1.000000	0.0000	29,664 29,664	29,664 29,664
					29,664

**PILs Recovered January to April 2006**

Rate Class	Fixed Metric	PILs Rate Jan To Apr 2006 <b>A</b>	Monthly Service Charge	Cust/Conn Billed Jan To Apr 2006 <b>B</b>	PILs Recovered <b>C = A * B * 4</b>
Residential	Customer	0.000000	0.0000	0	0
				0	0
Rate Class	Vol Metric	PILs Rate Jan To Apr 2006 <b>A</b>	Distribution Charge	kWh/kW Billed Jan To Apr 2006 <b>B</b>	PILs Recovered <b>C = A * B</b>
Residential	kWh	1.000000	0.0000	11,630	11,630
				11,630	11,630
					11,630

**Total PIL's Recoverd**

Rate Class	Fixed Metric	PILs Recovered	PILs Recovered	PILs Recovered	PILs Recovered				PILs Recovered Total
		Mar to Dec 2002	Jan to Dec 2003	Jan to Mar 2004	PILs Recovered Apr to Dec 2004	Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	
Residential	Customer	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0

Rate Class	Vol Metric	PILs Recovered	PILs Recovered	PILs Recovered	PILs Recovered				PILs Recovered Total
		Mar to Dec 2002	Jan to Dec 2003	Jan to Mar 2004	PILs Recovered Apr to Dec 2004	Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	
Residential	kWh	32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711
		32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711

Rate Class		PILs Recovered	PILs Recovered	PILs Recovered	PILs Recovered				PILs Recovered Total
		Mar to Dec 2002	Jan to Dec 2003	Jan to Mar 2004	PILs Recovered Apr to Dec 2004	Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	
Residential		32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711
		32,900	36,960	7,043	25,530	4,983	29,664	11,630	148,711



**Total PIL's Recoverd by Year**

Rate Class	Fixed Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Dec 2004	PILs Recovered Jan to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	Customer	0	0	0	0	0	0
		0	0	0	0	0	0

Rate Class	Vol Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Dec 2004	PILs Recovered Jan to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	kWh	32,900	36,960	32,573	34,646	11,630	148,711
		32,900	36,960	32,573	34,646	11,630	148,711

Rate Class		PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential		32,900	36,960	32,573	34,646	11,630	148,711
		32,900	36,960	32,573	34,646	11,630	148,711

**Name of LDC: Hearst Power Distribution Company Limited**  
**OEB Licence Number: ED-2002-0533**

**Disposition of Balance Recorded in Account 1562 Deferred PILs**

Year start:	01/10/2001	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006	01/05/2006	01/01/2007	01/01/2008	01/01/2009	01/01/2010	01/01/2011	01/01/2012
Year end:	31/12/2001	31/12/2002	31/12/2003	31/12/2004	31/12/2005	30/04/2006	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011	30/04/2012
Principal Opening balance: # 1562	=	0	1,529	-1,885	-912	794	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from	+/-	0	34,429	34,429	34,429	36,353	12,331						
True-up Variance Adjustment Q4, 2001 <sup>(2)</sup>	+/-	0						0	0	0	0	0	0
True-up Variance Adjustment <sup>(3)</sup>	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001 <sup>(4)</sup>	+/-	0						0	0	0	0	0	0
Deferral Account Variance Adjustment <sup>(5)</sup>	+/-	0	-883	-883	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years <sup>†</sup>	+/-	0						0	0	0	0	0	0
PILs collected from customers - Proxy <sup>(6)</sup>	-	0	-32,900	-36,960	-32,573	-34,646	-11,630	0	0	0	0	0	0
<b>Principal Ending balance: # 1562</b>		<b>0</b>	<b>1,529</b>	<b>-1,885</b>	<b>-912</b>	<b>794</b>	<b>1,495</b>	<b>1,495</b>	<b>1,495</b>	<b>1,495</b>	<b>1,495</b>	<b>1,495</b>	<b>1,495</b>
Principal Opening balance: # 1562		0	250	246	182	306	328	373	444	503	520	532	554
Carrying charges <sup>(7)</sup>	+/-	0	250	-3	-65	124	22	45	71	60	17	12	22
<b>Principal Ending balance: # 1562</b>		<b>0</b>	<b>250</b>	<b>246</b>	<b>182</b>	<b>306</b>	<b>328</b>	<b>373</b>	<b>444</b>	<b>503</b>	<b>520</b>	<b>532</b>	<b>561</b>

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

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

- (1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. Per APH entries began October 1, 2001.  
 (ii) If the Board approved different amounts, input the Board-approved amounts in cells C12 and E12.  
 (iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.  
 (iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.  
 (v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.  
 (vi) Column M - In 2006, the prorated 2005 PILs tax proxy will be used for the period from January 1, 2006 to April 30, 2006.
- (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.
- (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I182, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trueed up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I182, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
- (7) Carrying charges are calculated on a simple interest basis.
- (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class. Input negative number for collections.  
 (ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

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

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

In 2006, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period January 1 to April 30, 2006.



Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

### Calculate Carrying Cost 2002

Month	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total	
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%		
Monthly Interest	0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%		
Principal Opening balance: # 1562	=	0	2,869	5,738	5,317	4,896	4,475	4,054	3,633	3,212	2,792	2,371	1,950	0
Board-approved PILs tax proxy from Decisions(1)	+/-	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	34,429
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-3,290	-32,900
Principal Ending balance: # 1562		2,869	5,738	5,317	4,896	4,475	4,054	3,633	3,212	2,792	2,371	1,950	1,529	1,529
Interest on Opening Balance		0	16	35	32	30	27	25	22	19	17	14	12	250
Cummulative Interest This Year		0	16	51	83	113	140	165	187	206	223	238	250	
Cummulative Interest Life to Date		0	16	51	83	113	140	165	187	206	223	238	250	

Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

### Calculate Carrying Cost 2003

Month	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total	
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%		
Monthly Interest	0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%		
Principal Opening balance: # 1562	=	1,529	1,244	960	675	391	106	-178	-463	-747	-1,032	-1,316	-1,601	1,529
Board-approved PILs tax proxy from Decisions(1)	+/-	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	34,429
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-883
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-3,080	-36,960
Principal Ending balance: # 1562		1,244	960	675	391	106	-178	-463	-747	-1,032	-1,316	-1,601	-1,885	-1,885
Interest on Opening Balance		9	7	6	4	2	1	-1	-3	-4	-6	-8	-10	-3
Cummulative Interest This Year		9	16	22	26	29	29	28	25	21	15	7	-3	
Cummulative Interest Life to Date		259	266	272	276	278	279	278	275	270	264	256	246	

Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

### Calculate Carrying Cost 2004

Month	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total	
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%		
Monthly Interest	0.62%	0.58%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%		
Principal Opening balance: # 1562	=	-1,885	-1,438	-990	-542	-583	-624	-666	-707	-748	-789	-830	-871	-1,885
Board-approved PILs tax proxy from Decisions(1)	+/-	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869	34,429
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-74	-883
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-2,348	-2,348	-2,348	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-2,837	-32,573
Principal Ending balance: # 1562		-1,438	-990	-542	-583	-624	-666	-707	-748	-789	-830	-871	-912	-912
Interest on Opening Balance		-12	-8	-6	-3	-4	-4	-4	-4	-5	-5	-5	-5	-65
Cummulative Interest This Year		-12	-20	-26	-29	-33	-37	-41	-45	-49	-54	-59	-65	
Cummulative Interest Life to Date		235	227	220	217	214	210	206	201	197	192	187	182	

Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

### Calculate Carrying Cost 2005

Month	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total	
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%		
Monthly Interest	0.62%	0.56%	0.62%	0.60%	0.62%	0.60%	0.62%	0.62%	0.60%	0.62%	0.60%	0.62%		
Principal Opening balance: # 1562	=	-912	456	1,825	3,193	2,927	2,660	2,394	2,127	1,860	1,594	1,327	1,061	-912
Board-approved PILs tax proxy from Decisions(1)	+/-	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	3,029	36,353
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-1,661	-1,661	-1,661	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-3,296	-34,646
Principal Ending balance: # 1562		456	1,825	3,193	2,927	2,660	2,394	2,127	1,860	1,594	1,327	1,061	794	794
Interest on Opening Balance		-6	3	11	19	18	16	15	13	11	10	8	7	124
Cummulative Interest This Year		-6	-3	8	27	45	61	76	89	100	110	118	124	
Cummulative Interest Life to Date		176	179	190	209	227	243	258	271	282	292	300	306	



Name of LDC: **Hearst Power Distribution Company Limited**

OEB Licence Number: **ED-2002-0533**

### Calculate Carrying Cost 2006

Month	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
Prescribed Rate	7.25%	7.25%	7.25%	4.14%	4.14%	4.14%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	
Monthly Interest	0.62%	0.56%	0.62%	0.34%	0.35%	0.34%	0.39%	0.39%	0.38%	0.39%	0.38%	0.39%	
Principal Opening balance: # 1562	=	794	969	1,145	1,320	1,495	1,495	1,495	1,495	1,495	1,495	1,495	794
Board-approved PILs tax proxy from Decisions(1)	+/-	3,083	3,083	3,083	3,083	0	0	0	0	0	0	0	12,331
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	-2,908	-2,908	-2,908	-2,908	0	0	0	0	0	0	0	-11,630
Principal Ending balance: # 1562		969	1,145	1,320	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Interest on Opening Balance		5	5	7	4	5	5	6	6	6	6	6	67
Cummulative Interest This Year		5	10	17	22	27	32	38	44	49	55	61	67
Cummulative Interest Life to Date		311	316	323	328	333	338	344	350	356	361	367	373



**Calculate Carrying Cost 2007**

Month	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
Prescribed Rate	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	5.14%	5.14%	5.14%	
Monthly Interest	0.39%	0.35%	0.39%	0.38%	0.39%	0.38%	0.39%	0.39%	0.38%	0.44%	0.42%	0.44%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>
Interest on Opening Balance		6	5	6	6	6	6	6	6	7	6	7	71
Cummulative Interest This Year		6	11	17	23	28	34	40	46	51	58	64	71
Cummulative Interest Life to Date		379	384	390	395	401	407	413	419	424	431	437	444

**Calculate Carrying Cost 2008**

Month	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
Prescribed Rate	5.14%	5.14%	5.14%	4.08%	4.08%	4.08%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	
Monthly Interest	0.44%	0.41%	0.44%	0.34%	0.35%	0.34%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>
Interest on Opening Balance		7	6	7	5	5	5	4	4	4	4	4	60
Cummulative Interest This Year		7	13	19	24	29	34	39	43	47	51	55	60
Cummulative Interest Life to Date		450	456	463	468	473	478	482	486	491	495	499	503

**Calculate Carrying Cost 2009**

Month	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
Prescribed Rate	2.45%	2.45%	2.45%	1.00%	1.00%	1.00%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	
Monthly Interest	0.21%	0.19%	0.21%	0.08%	0.08%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>
Interest on Opening Balance		3	3	3	1	1	1	1	1	1	1	1	17
Cummulative Interest This Year		3	6	9	10	12	13	14	15	16	16	17	
Cummulative Interest Life to Date		506	509	512	513	515	516	517	518	519	519	520	

**Calculate Carrying Cost 2010**

Month	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Prescribed Rate	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.89%	0.89%	0.89%	1.20%	1.20%	1.20%	
Monthly Interest	0.05%	0.04%	0.05%	0.05%	0.05%	0.05%	0.08%	0.08%	0.07%	0.10%	0.10%	0.10%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>
Interest on Opening Balance		1	1	1	1	1	1	1	1	2	1	2	12
Cummulative Interest This Year		1	1	2	3	3	4	5	6	7	9	10	12
Cummulative Interest Life to Date		521	521	522	523	523	524	525	526	527	529	530	532

**Calculate Carrying Cost 2011**

Month	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total
Prescribed Rate	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	
Monthly Interest	0.12%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
Principal Opening balance: # 1562	=	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>	<u>1,495</u>
Interest on Opening Balance		2	2	2	2	2	2	2	2	2	2	2	22
Cummulative Interest This Year		2	4	5	7	9	11	13	15	16	18	20	22
Cummulative Interest Life to Date		534	536	537	539	541	543	545	547	548	550	552	554





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

**Name of LDC: Hearst Power Distribution Company Limited**

**OEB Licence Number: ED-2002-0533**

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

Principal as of April 30, 2012	1,495
Interest as of April 30, 2012	561
Amount Requested for Disposition of 1562 Balance	<u>2,056</u>

## **Exhibit 3**

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### **Tab 2 of 2**

## **Historical Data**



1 **Historical Data**

2

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3

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 3

Tab2

Schedule 1

Appendix1

## Appendix 1 of 5

## OEB Board Decisions

*Comme sheet - April 10/02*

Ontario Energy Board  
P.O. Box 2319  
26th. Floor  
2300 Yonge Street  
Toronto ON M4P 1E4  
Telephone: 416-481-1967  
Facsimile: 416-440-7656  
Toll free: 1-888-632-6273

Commission de l'Énergie de l'Ontario  
C.P. 2319  
26e étage  
2300, rue Yonge  
Toronto ON M4P 1E4  
Téléphone: 416-481-1967  
Télécopieur: 416-440-7656  
Numéro sans frais: 1-888-632-6273



**BY PRIORITY POST**

April 5, 2002

Nicole Leduc  
General Manager  
Hearst Power Distribution Company Limited  
925 Alexandra Street  
P.O. Box 5000  
Hearst, ON  
P0L 1N0



Dear Mr. Leduc:

**Re: Hearst Power Distribution Company Limited  
March 2002 LDC Rate Adjustments  
Board File No. RP-2002-0073/EB-2002-0082**

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

Yours truly,

Peter H. O'Dell  
Assistant Board Secretary

Encl.



RP-2002-0073  
EB-2002-0082

**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 Hearst Power Distribution Company 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.

Hearst Power Distribution Company Limited ("the Applicant") filed an Application ("the Application"), dated January 28, 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 27, 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 2001 deferred Payments in Lieu of Taxes (PILs), \$41,013.
- the 2002 Payments in Lieu of Taxes (PILs), \$44,125.
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$16,058.
- a rate increase of 0.6/kW for the Intermediate Use Class spread equally over a three-year period with pro rata rate reduction in other customer classes.

In its previous decision dealing with the Applicant's 2001 rates (RP-2000-0257), the Board found a revenue excess of \$204,983, which the Board directed that it be recorded, with interest, for future disposition. In the current application, the Applicant proposed that the 2001 PILs amount of \$41,013 be used as an offset to the recorded revenue excess. The Applicant did not propose to dispose of the remaining balance at this time.

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 2002 PILs by removing the amount of 2001 PILs for regulatory adjustments. As a result, the 2002 deferred Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of \$9,696.

With respect to the remaining revenue excess balance, the Board finds that it would be reasonable to dispose of such balance coincident with the first billing incorporating the new rates. The Board directs the Applicant to credit customers' account by a pro rata amount on the basis of revenue by each class. After implementation of the customer credit, the Applicant shall file a report with the Board setting out the implementation details of this direction. In that report, the



Applicant should satisfy the Board that all of the remaining excess revenue has been returned to the customers. Upon disposition of the remaining balance, the Applicant is relieved from recording the excess revenue and associated interest.

Subject to these adjustments, the Board finds that the Applicant's proposals in the 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, and the one time credit, coincident with the first bill reflecting the new rates.

**DATED** at Toronto, April 5, 2002.

ONTARIO ENERGY BOARD



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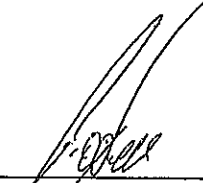
Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0073  
EB-2002-0082

April 5, 2002

ONTARIO ENERGY BOARD



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Peter H. O'Dell  
Assistant Board Secretary

**Hearst Power Distribution Company Ltd.**  
**Schedule of Rates and Charges**  
 Effective March 1, 2002

RP-2002-0073  
 EB-2002-0082

**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)	\$5.75
Distribution Volumetric Rate	(per kWh)	\$0.0065
Cost of Power Rate	(per kWh)	\$0.0737

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$3.79
Distribution Volumetric Rate	(per kWh)	\$0.0066
Cost of Power Rate	(per kWh)	\$0.0726

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

Monthly Service Charge	(per month)	\$24.15
Distribution Volumetric Rate	(per kW)	\$1.9777
Cost of Power Demand Rate	(per kW)	\$1.7100
Cost of Power Energy Rate	(per kWh)	\$0.0644

**GENERAL SERVICE INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$43.52
Distribution Volumetric Rate	(per kW)	\$0.4237
Cost of Power - Winter Peak	(per kW)	\$10.8450
Cost of Power - Summer Peak	(per kW)	\$8.1180
Cost of Power - Winter Peak	(per kWh)	\$0.0725
Cost of Power - Winter Off Peak	(per kWh)	\$0.0433
Cost of Power - Summer Peak	(per kWh)	\$0.0612
Cost of Power - Summer Off Peak	(per kWh)	\$0.0320

**Hearst Power Distribution Company Ltd.**  
**Schedule of Rates and Charges - Page 2**  
 Effective March 1, 2002

RP-2002-0073  
 EB-2002-0082

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

Monthly Service Charge	(per connection)	\$3.12
Distribution Volumetric Rate	(per kW)	\$0.5654
Cost of Power Demand Rate	(per kW)	\$22.6300

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

Monthly Service Charge	(per connection)	\$0.76
Distribution Volumetric Rate	(per kW)	\$0.6439
Cost of Power Demand Rate	(per kW)	\$22.6200

**UNMETERED SCATTERED LOADS**

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

Monthly Service Charge	(per connection)	\$3.79
Distribution Volumetric Rate	(per kWh)	\$0.0066
Cost of Power Rate	(per kWh)	\$0.0726

**SPECIFIC SERVICE CHARGES**

Late Payment (per month)	1.50%
(per annum)	19.56%
Returned cheque charge (actual bank charges plus)	\$8.00
Collection of account charge	\$8.25
Reconnection - during regular working hours	\$16.00
Account set up charge	\$8.25
Arrear's certificate charge	\$10.00
Dispute involvement charge	\$5.00

**Credits**

Allowance (per kW) for customer owned transformers, service at less than 115 kv .	\$0.60
---	--------

Brd met - March 29/04  
Copie CAO

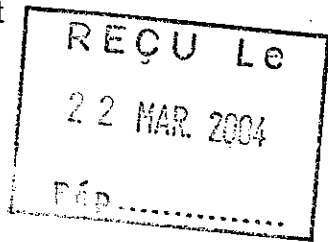
Ontario Energy  
Board  
P.O. Box 2319  
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26th. Floor  
Toronto ON M4P 1E4  
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Commission de l'Énergie  
de l'Ontario  
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2300, rue Yonge  
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Toronto ON M4P 1E4  
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March 17, 2004

Nicole Leduc  
General Manager  
Hearst Power Distribution Company Limited  
925 Alexandra Street  
Hearst ON  
P0L 1N0



Dear Ms. Leduc:

**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,

A handwritten signature in cursive script, appearing to read 'P. O'Dell', written over a horizontal line.

Peter H. O'Dell  
Assistant Secretary

cc. Intervenors of record



RP-2004-0056  
EB-2004-0042

**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 Hearst Power  
Distribution Company 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.

The Applicant proposed to carry over the negative amount of its Regulatory Assets to the 2005 application. The Board finds that the interim rates approved herein should reflect clearance of the negative RSVA amounts and recovery of 25% of the non-RSVA Regulatory Asset amounts. The attached rate schedule reflects this finding.

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 substantive 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 17, 2004

ONTARIO ENERGY BOARD

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

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Peter H. O'Dell  
Assistant Secretary



**Interim Rates**  
**Hearst Power Distribution Company Limited**  
**Schedule of Changed Distribution Rates and Charges**

RP-2004-0056

EB-2004-0042

Effective Date: March 1, 2004

Implementation Date: April 1, 2004

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$5.75
Distribution Volumetric Rate	(per kWh)	\$0.0062

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$3.79
Distribution Volumetric Rate	(per kWh)	\$0.0062

**GENERAL SERVICE > 50 KW**

Monthly Service Charge	(per month)	\$24.15
Distribution Volumetric Rate	(per kW)	\$1.8218

**GENERAL SERVICE - INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$43.52
Distribution Volumetric Rate	(per kW)	\$0.2074

**SENTINEL LIGHTS**

Monthly Service Charge	(per connection)	\$3.12
Distribution Volumetric Rate	(per kW)	\$0.8196

**STREET LIGHTING**

Monthly Service Charge	(per connection)	\$0.76
Distribution Volumetric Rate	(per kW)	\$0.6642

**UNMETERED SCATTERED LOADS**

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

Monthly Service Charge	(per month)	\$3.79
Distribution Volumetric Rate	(per kWh)	\$0.0062

Ontario Energy  
Board  
P.O. Box 2319  
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Télécopieur: (416) 440-7656



June 22, 2004

Nicole Leduc  
General Manager  
Hearst Power Distribution Company Limited  
925 Alexandra Street  
Hearst ON  
P0L 1N0

Dear Ms. Leduc:

**Re: Distribution Rate Application - RP-2004-0056/EB-2004-0042/EB-2004-0385  
Board Decision and Order on Motion to Vary and Interim Rate Schedule**

Attached is the Board's Decision and Order on Motion to Vary and Interim Rate Schedule with respect to the above application and an executed copy is enclosed herewith.

Yours truly,

  
Peter H. O'Dell  
Acting Board Secretary

cc. Intervenors of record



RP-2004-0056  
EB-2004-0042  
EB-2004-0385

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

**AND IN THE MATTER OF** a Motion to Vary application by  
Hearst Power Distribution Company Limited.

**BEFORE:** Paul Vlahos  
Presiding Member

Bob Betts  
Member

#### **DECISION AND ORDER ON MOTION TO VARY**

On March 17, 2004, the Ontario Energy Board ("the Board") issued a Decision and Order for an application by Hearst Power Distribution Company Limited ("Hearst Power") regarding distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004.

On May 17, 2004, Hearst Power filed a Motion to Vary the Board's Decision and Order, citing certain data errors in its previous application. The Board assigned file number RP-2004-0056/EB-2004-0042/EB-2004-0385 to the Motion to Vary application.

Specifically, clerical errors were made by Hearst Power in reporting 2002 customer connection data for the Sentinel Lights and Street Lighting rate classes. As well, there was a clerical error by Hearst Power in reporting the base rate for Street Lighting. The requested corrections would result in rate reductions for both Sentinel Lights and Street Lighting and would not affect the rates for other rate classes.

Hearst Power noted that both Sentinel Lights and Street Lighting customers have been billed pursuant to the rates approved by the Board on March 17, 2004. Upon approval of the new rates flowing from the Motion to Vary, Hearst Power intends to rebate to the affected customers the overcollected amounts on the next billing.

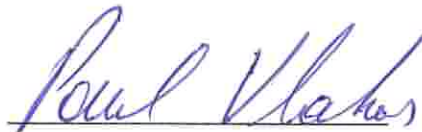
The Board finds that it is appropriate to approve the applied for correction of rates.

**THE BOARD ORDERS THAT:**

- 1) The rate schedule attached to the March 17, 2004 Decision and Order are replaced by the attached rate schedule, effective March 1, 2004, to be implemented July 1, 2004.
- 2) Hearst Power refund the affected customers the overcollected amounts for the period April 1, 2004 to June 30, 2004 and inform the Board of the details of the refunds as soon as the process is completed.

DATED at Toronto, June 22, 2004

Signed on behalf of the Panel

A handwritten signature in blue ink that reads "Paul Vlahos". The signature is written in a cursive style and is positioned above a horizontal line.

Paul Vlahos  
Presiding Member

**Interim Rates**  
**Hearst Power Distribution Company Limited**  
**Schedule of Changed Distribution Rates and Charges**

RP-2004-0056  
 EB-2004-0042  
 EB-2004-0385

Effective Date: March 1, 2004  
 Implementation Date: July 1, 2004

RESIDENTIAL

Monthly Service Charge	(per month)	\$	5.75
Distribution Volumetric Rate	(per kWh)	\$	0.0062

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$	3.79
Distribution Volumetric Rate	(per kWh)	\$	0.0062

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$	24.15
Distribution Volumetric Rate	(per kW)	\$	1.8218

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	\$	43.52
Distribution Volumetric Rate	(per kW)	\$	0.2074

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	\$	3.12
Distribution Volumetric Rate	(per kW)	\$	0.5520

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	\$	0.76
Distribution Volumetric Rate	(per kW)	\$	0.5159

Unmetered Scattered Loads

Billed at General Service <50 kW rates

Monthly Service Charge	(per month)	\$	3.79
Distribution Volumetric Rate	(per kWh)	\$	0.0062

Ontario Energy  
Board  
P.O. Box 2319  
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Telephone: 416- 481-1967  
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Toll free: 1-888-632-6273

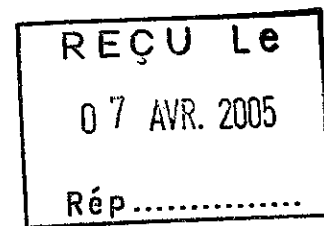
Commission de l'Énergie  
de l'Ontario  
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Toronto ON M4P 1E4  
Téléphone; 416- 481-1967  
Télécopieur: 416- 440-7656  
Numéro sans frais: 1-888-632-6273



March 31, 2005

BY PRIORITY POST

Nicole Leduc  
General Manager  
Hearst Power Distribution Company Limited  
925 Alexandra Street  
Hearst ON  
P0L 1N0



Dear Ms. Leduc:

**Re: 2005 Electricity Distribution Rates  
Board Decision and Order  
Board File No. RP-2005-0013\EB-2005-0038**

The Board has now issued its Decision and Order for the above referenced proceeding and a copy is enclosed

Yours truly,

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

Peter H. O'Dell  
Assistant Board Secretary



RP-2005-0013  
EB-2005-0038

**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 **Hearst  
Power Distribution Company Ltd.** 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: \$ 0**

**2005 PILs Proxy: \$ 36,994**

**Regulatory Assets Second Tranche: \$ 37,001**



The Applicant also applied for recovery of amounts and/or items outside of the guidelines. Specifically, the Applicant requested:

- Approval to create a Deferral/Variance account for C&DM and guidance from the Board.
- Revenue shift of \$20,000 from GS > 50 kW to the Intermediate Class to obtain distribution rates for the Intermediate Class that exceed the utilities current Transformer Allowance of \$0.60 per kW.
- Creation of a rate rider credit to return the 2003 negative RSVA balance to customers.

### **Submissions**

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

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

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

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

### **Board Findings**

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

At this time, the Board will approve only the portion of the application that conforms to the guidelines as the generic notice published informed customers and the public of only the changes contemplated in the guidelines. The Applicant may wish to apply for other specific changes to rates in a separate application.

Consequently, the Board denies the Applicant's request for approval for a revenue shift of \$20,000 from the GS > 50 kW class to the Intermediate class. Regarding the request for a Deferral/Variance account for the 2005 C & DM amount, the Board refers the Applicant to a separate process (RP-2004-0203 - Conservation and Demand Management), currently before the Board which deals with C & DM matters.

However, the Board approves the use of negative rate riders for the RSVA refund as a measure against issuing negative distribution rates for the affected classes.

Subject to these adjustments, the Board finds that the application conforms with earlier decisions of the Board 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 31, 2005

ONTARIO ENERGY BOARD



Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2005-0013  
EB-2005-0038

March 31, 2005

ONTARIO ENERGY BOARD

**Hearst Power Distribution Company Limited**  
**Schedule of Changed Distribution Rates and Charges**

RP-2005-0013

EB-2005-0038

Effective Date: March 1, 2005

Implementation Date: April 1, 2005

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$5.40
Distribution Volumetric Rate	(per kWh)	\$0.0076
Rate Rider Credit	(per kWh)	-\$0.0027

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$3.60
Distribution Volumetric Rate	(per kWh)	\$0.0071
Rate Rider Credit	(per kWh)	-\$0.0027

**GENERAL SERVICE > 50 KW**

Monthly Service Charge	(per month)	\$21.49
Distribution Volumetric Rate	(per kW)	\$2.1336
Rate Rider Credit	(per kWh)	-\$0.0027

**GENERAL SERVICE INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$41.08
Distribution Volumetric Rate	(per kW)	\$0.4548
Rate Rider Credit	(per kWh)	-\$0.0027

**SENTINEL LIGHTS**

Monthly Service Charge	(per connection)	\$2.94
Distribution Volumetric Rate	(per kW)	\$2.0154
Rate Rider Credit	(per kWh)	-\$0.0027

**STREET LIGHTING**

Monthly Service Charge	(per connection)	\$0.72
Distribution Volumetric Rate	(per kW)	\$0.9929
Rate Rider Credit	(per kWh)	-\$0.0027

**UNMETERED SCATTERED LOAD**

Billed at General Service < 50 kW rates

Monthly Service Charge	(per month)	\$3.60
Distribution Volumetric Rate	(per kWh)	\$0.0071
Rate Rider Credit	(per kWh)	-\$0.0027

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

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 3

Tab2

Schedule 1

Appendix2

## Appendix 2 of 5

Original Board Approved SIMPILS

	A	B	C	D
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>			
2	<b>REGULATORY INFORMATION (REGINFO)</b>			
3				
4	Hearst Power Distribution Company Ltd.			<b>Amount</b>
5	Reporting period - Year 2002			
6				
7	<b>BACKGROUND</b>			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	y
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	n
14				
15	Accounting Year End		Date	Dec. 31
16				
17	<b>MARR NO TAX CALCULATIONS</b>			
18	<b>SHEET #7 FINAL RUD MODEL DATA</b>			
19	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>			
20	<b>USE BOARD-APPROVED AMOUNTS</b>			
21				
22	Rate base (wires-only)			2,446,312
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			209,527
33				
34	1999 return from RUD Sheet #7			209,527
35				
36	Total Incremental revenue			0
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			
40	Amount allowed in 2002, Year 2			0
41	Amount allowed in 2003, Year 3			
42				
43	Equity			1,223,156
44				
45	Return at target ROE			120,848
46				
47	Debt			1,223,156
48				
49	Deemed interest amount in EBIT			88,679
50				
51	Phase-in of interest - Year 1			88,679
52	$((D34+D39)/D32)*D49$			
53	Phase-in of interest - Year 2			88,679
54	$((D34+D39+D40)/D32)*D49$			
55	Phase-in of interest - Year 3 (D49)			88,679
56				











	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
7	Hearst Power Distribution Company Ltd.					
8	Reporting period - Year 2002					
9						
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"					
11	Column K					
12	<b>I) CORPORATE INCOME TAXES</b>					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue	1	770,121		770,121	
16	Other Income	2	196,987	-17,030	179,957	
17	Expenses					
18	Administration	3	-548,477		-548,477	
19	Distribution	4			0	
20	Operations and Maintenance	5	-157,074		-157,074	
21	Depreciation and Amortization	6	-145,990		-145,990	
22	Municipal Property Taxes	7			0	
23	Ontario Capital Tax	8	-7,799		-7,799	
24	Federal LCT	9	-4,597		-4,597	
25						
26	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	10	103,171	-17,030	86,141	1C
27						
28	BOOK TO TAX ADDITIONS:					
29	Depreciation & Amortization		145,990	0	145,990	2C
30	Federal Large Corporation Tax		4,597	0	4,597	3C
31	Employee benefit plans-accrued, not paid				0	4C
32	Change in tax reserves				0	5C
33	Regulatory adjustments				0	6C
34	Other additions "Material" Item #1				0	7C
35	Other additions "Material" Item #2				0	7C
36			150,587	0	150,587	
37	<i>Other Additions:</i> (From T2 S1)					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees				0	7C
41	Meals and entertainment				0	7C
42	Automobile				0	7C
43	Life insurance premiums				0	7C
44	Company pension plans				0	7C
45	Advertising				0	7C
46	Interest and penalties on taxes				0	7C
47	Legal and accounting fees				0	7C
48	Debt issue expenses				0	7C
49	Capital items expensed				0	7C
50	All crown charges, royalties, rentals				0	7C
51	Deemed dividend income				0	7C
52	Deemed interest on loans to non-residents				0	7C
53	Deemed interest received				0	7C
54	Development expenses claimed				0	7C
55	Dividend stop-loss adjustments				0	7C
56	Dividends credited to investment account				0	7C
57	Investment tax credit				0	7C
58	Financing fees deducted in books				0	7C
59	Foreign accrual property income				0	7C

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	Source
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	Foot-
4			Return			note
5						#
6						
60	Foreign affiliate property income				0	7C
61						
62	Federal reassessment amounts				0	7C
63	Gain on settlement of debt				0	7C
64	Interest paid on income debentures				0	7C
65	Gain on sale of eligible capital property				0	7C
66	Loss on disposal of assets				0	7C
67	Reserves from financial statements- end of year				0	7C
68	Holdbacks				0	7C
69	Taxable capital gains				0	7C
70	Political donations- book				0	7C
71	Charitable donations- book				0	7C
72	Capitalized interest				0	7C
73	Deferred and prepaid- beginning of year				0	7C
74	Tax reserves deducted in prior year				0	7C
75	Loss from joint ventures				0	7C
76	Loss from subsidiaries				0	7C
77	Limited partnership losses				0	7C
78	Sales tax assessments				0	7C
79	Share issue expenses				0	7C
80	Write-down of capital property				0	7C
81					0	
82	<i>Other Additions:</i>				0	7C
83					0	
84	<i>Total Other Additions</i>		0	0	0	7C
85						
86	Total Additions		150,587	0	150,587	
87						
88	BOOK TO TAX DEDUCTIONS:					
89	Capital cost allowance		-132,228		-132,228	8C
90	Employee benefit plans-paid amounts				0	9C
91	Items capitalized for regulatory purposes				0	10C
92	Regulatory adjustments				0	11C
93	Interest expense incurred				0	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			-132,228	0	-132,228	
97	<i>Other deductions: (From T2 S1)</i>					
98	Grossed up Part VI.1 tax (preferred shares)				0	13C
99	Amortization of eligible capital expenditures				0	13C
100	Amortization of debt and equity issue cost				0	13C
101	Loss carryback to prior period				0	13C
102	Contributions to deferred income plans				0	13C
103	Contributions to pension plans				0	13C
104	Income from subsidiaries				0	13C
105	Income from joint ventures				0	13C
106	Gain on disposal of assets				0	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction		-119		-119	13C
109	Allowable business investment loss				0	13C
110	Holdbacks				0	13C
111	Deferred and prepaids- end of year				0	13C
112	Tax reserves claimed in current year				0	13C

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
113	Reserves from F/S- beginning of year				0	13C
114	Patronage dividends				0	13C
115	Accrued dividends- current year				0	13C
116	Bad debts				0	13C

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
117						
118						
119	Exempt income under section 81				0	13C
120	Contributions to environmental trust				0	13C
121	Other income from financial statements				0	13C
122	Charitable donations - tax basis				0	13C
123	Gifts to Canada or a province				0	13C
124	Cultural gifts				0	13C
125	Ecological gifts				0	13C
126	Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
127	Non-capital losses-preceding years				0	13C
128	Net-capital losses- preceding years				0	13C
129	Limited partnership losses- preceding years				0	13C
130	<i>Other deductions:</i>				0	13C
131					0	
132					0	
133	<i>Total Other Deductions</i>		-119	0	-238	13C
134						
135	<b>Total Deductions</b>		-132,347	0	-132,466	
136						
137						
138	<b>TAXABLE INCOME</b>		121,411	-17,030	104,262	
139						
140						
141						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
142						
143						
144	<b>ONTARIO CAPITAL TAX</b>					
145						
146	<b>PAID-UP CAPITAL</b>					
147						
148	Paid-up capital stock		100		100	
149	Retained earnings (if deficit, deduct)		1,961,577		1,961,577	
150	Capital and other surplus excluding		553,783		553,783	
151	appraisal surplus				0	
152	Loans and advances		1,800,000		1,800,000	
153	Bank loans				0	
154	Bankers acceptances				0	
155	Bonds and debentures payable				0	
156	Mortgages payable				0	
157	Lien notes payable				0	
158	Deferred credits				0	
159	Contingent, investment, inventory and				0	
160	similar reserves				0	
161	Other reserves not allowed as deductions				0	
162	Share of partnership(s), joint venture(s)				0	
163	paid-up capital				0	
164	Sub-total		4,315,460	0	4,315,460	
165	Subtract:					
166	Amounts deducted for income tax				0	
167	purposes in excess of amounts booked				0	
168	Deductible R&D expenditures and ONTTI				0	
169	costs deferred for income tax				0	
170					0	
171	<b>Total (Net) Paid-up Capital</b>		4,315,460	0	4,315,460	
172						
173	<b>ELIGIBLE INVESTMENTS</b>					
174						
175	Bonds, lien notes, interest coupons				0	
176	Mortgages due from other corporations				0	
177	Shares in other corporations		24,000		24,000	
178	Loans and advances to unrelated corporations				0	
179	Eligible loans and advances to related				0	
180	corporations				0	
181	Share of partnership(s) or joint venture(s)				0	
182	eligible investments				0	
183						
184	<b>Total Eligible Investments</b>		24,000	0	24,000	
185						
186						



	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
187						
188	<b>TOTAL ASSETS</b>					
189						
190	Total assets per balance sheet		5,017,241		5,017,241	
191	Mortgages or other liabilities deducted from				0	
192	assets				0	
193	Share of partnership(s)/ joint venture(s) total				0	
194	assets				0	
195	Subtract: Investment in partnership(s)/joint				0	
196	venture(s)				0	
197						
198	<b>Total assets as adjusted</b>		5,017,241	0	5,017,241	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and				0	
202	similar reserves				0	
203	Other reserves not allowed as deductions				0	
204	Subtract:				0	
205	Amounts deducted for income tax				0	
206	purposes in excess of amounts booked				0	
207	Deductible R&D expenditures and ONTTI				0	
208	costs deferred for income tax				0	
209	Subtract: Appraisal surplus if booked				0	
210	Add or subtract: Other adjustments		1	1	2	
211						
212	<b>Total Assets</b>		5,017,242	1	5,017,243	
213						
214	<b>Investment Allowance</b>					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		20,643	0	20,643	
218						
219	<b>Taxable Capital</b>					
220						
221	Net paid-up capital		4,315,460	0	4,315,460	
222	Subtract: Investment Allowance		-20,643	0	-20,643	
223					0	
224	Taxable Capital		4,294,817	0	4,294,817	
225						
226	<b>Capital Tax Calculation</b>					
227						
228	Taxable capital		4,294,817	0	4,294,817	16C
229						
230	Deduction from taxable capital up to \$5,000,000		-4,294,817		-4,294,817	17C
231						
232	Net Taxable Capital		0	0	0	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		365	365	365	
237	Divide days by 365		1.0000	1.0000	1.0000	
238						
239	<b>Ontario Capital Tax</b>		0	0	0	

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
240						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
241						
242						
243	<b>LARGE CORPORATION TAX</b>					
244						
245	<b>CAPITAL</b>					
246						
247	ADD:					
248	Reserves that have not been deducted in					0
249	computing income for the year under Part I					0
250	Capital stock		100			100
251	Retained earnings		1,961,577			1,961,577
252	Contributed surplus		553,783			553,783
253	Any other surpluses					0
254	Deferred unrealized foreign exchange gains					0
255	All loans and advances to the corporation		1,800,000			1,800,000
256	All indebtedness- bonds, debentures, notes,					0
257	mortgages, bankers acceptances, or similar					0
258	obligations					0
259	Any dividends declared but not paid					0
260	All other indebtedness outstanding for more					0
261	than 365 days					0
262						
263	Subtotal		4,315,460	0	4,315,460	
264						
265	DEDUCT:					
266	Deferred tax debit balance					0
267	Any deficit deducted in computing					0
268	shareholders' equity					0
269	Any patronage dividends 135(1) deducted in					0
270	computing income under Part I included in					0
271	amounts above					0
272	Deferred unrealized foreign exchange losses					0
273						
274	Subtotal		0	0	0	
275						
276	<b>Capital for the year</b>		4,315,460	0	4,315,460	
277						
278	<b>INVESTMENT ALLOWANCE</b>					
279						
280	Shares in another corporation		24,000			24,000
281	Loan or advance to another corporation					0
282	Bond, debenture, note, mortgage, or					0
283	similar obligation of another corporation					0
284	Long term debt of financial institution					0
285	Dividend receivable from another corporation					0
286	Debts of corporate partnerships that were not					0
287	exempt from tax under Part I.3					0
288	Interest in a partnership					0
289						
290	<b>Investment Allowance</b>		24,000	0	24,000	
291						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5						#
6						
292						
293	<b>TAXABLE CAPITAL</b>					
294						
295	Capital for the year		4,315,460	0	4,315,460	
296						
297	Deduct: Investment allowance		24,000	0	24,000	
298						
299	Taxable Capital for taxation year		4,339,460	0	4,339,460	19C
300						
301	Deduct: Capital Deduction \$10,000,000		-4,339,460		-4,339,460	20C
302						
303	<b>Taxable Capital</b>		<b>0</b>	<b>0</b>	<b>0</b>	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		365	365	365	
308	Divide days by 365		1.0000	1.0000	1.0000	
309						
310	<b>Gross Part I.3 Tax LCT</b>		<b>0</b>	<b>0</b>	<b>0</b>	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		1,360	-191	1,168	
315						
316	<b>Net Part I.3 Tax LCT Payable</b>		<b>-1,360</b>	<b>191</b>	<b>-1,168</b>	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						

**REGULATORY INFORMATION (REGINFO)**

Utility Name:	Hearst Power
File Number:	RP-2005-0013
	EB-2005-0002
Reporting period:	Jan. 1, 2005 to Dec. 31, 2005
Days in reporting period:	365
Total days in the calendar year:	365

**BACKGROUND**

1. Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group? (Yes or No)	No
2. Please identify the percentage used to allocate the exemption.	100.00%
3. Please explain the basis of the allocation if the percentage is other than 100%.	
4. Accounting Year End	31-Dec-05

**MARR NO TAX CALCULATIONS  
FROM SHEET #7 FINAL 2001 RUD MODEL DATA  
(FROM 1999 FINANCIAL STATEMENTS)**

Rate base (wires-only)	\$2,446,312.00
Common Equity Ratio (CER)	50.00%
1-CER	50.00%
Target Return On Equity (%)	9.88%
Debt rate	7.25%

			<u>Regulatory Income</u>
Market Adjusted Revenue Requirement	\$209,527		
1999 return from RUD Sheet #7	\$0		\$0
Total Incremental revenue	\$209,527		
	<i>Based on Board's Decision (RP-2000-0069)</i>	<i>Board-Approved Amounts</i>	
Amount allowed in 2001, Year 1	\$69,842	\$0	\$0
Amount allowed in 2002, Year 2	\$69,842	\$209,527	\$209,527
Amount allowed in 2003, Year 3	\$69,842	\$0	\$0
Permanent Changes to Base Rate (e.g. LPP 5% to 1.5%)	\$16,045		\$16,045
C&DM Capital Portion from "C&DM TAX FORECAST" worksheet			
<b>Total Regulatory Income</b>			<b>\$225,572</b>

Equity	\$1,223,156
Return at target ROE	\$120,848
Debt	\$1,223,156
Deemed interest amount in EBIT	\$88,679

<b>SECTION 93 PILs TAX GROSS-UP            PROXY CALCULATION FOR 2005            TAX CALCULATIONS (TAXCALC)</b>  <b>Utility Name: Hearst Power</b> <b>Reporting Period: Jan. 1, 2005 to Dec. 31, 2005</b> <b>Days in Reporting Period: 365</b> <b>Total days in the calendar year: 365</b>	ITEM	Proxy Calculation  \$	Comments
<b>I) CORPORATE INCOME TAXES</b>			
Regulatory Net Income	1	<b>\$225,572</b>	
BOOK TO TAX ADJUSTMENTS			
<b>Additions:</b>			
Depreciation & Amortization	2	<b>\$132,380</b>	
Employee Benefit Plans - Accrued, Not Paid	3	\$0	
Tax reserves deducted in prior year	4	\$0	
Reserves from financial statements-end of year	4	\$0	
Regulatory Adjustments	5	\$0	
<b>Other Additions</b>			
"Material" Items	6	\$0	
Other Additions	6	\$0	
"Material Items	6	\$0	
Other Additions	6	\$0	
<b>Deductions:</b>			
Capital Cost Allowance and CEC	7	<b>\$107,588</b>	
Employee Benefit Plans - Paid Amounts	8	\$0	
Items Capitalized for Regulatory Purposes	9	\$0	
Regulatory Adjustments	10	\$0	
Interest Expense Deemed	11	<b>\$88,679</b>	
Tax reserves claimed in current year	4	\$0	
Reserves from F/S beginning of year	4	\$0	
Contributions to deferred income plans	3	\$0	
Contributions to pension plans	3	\$0	
Interest capitalized for accounting but deducted for tax	11	\$0	
Other Deductions			
"Material" Items	12	\$0	
C&DM 2005 Incremental OM&A expenses per C&DM Plan	12	<b>\$0</b>	
Material Items	12	\$0	
Other Deductions	12	\$0	
<b>REGULATORY TAXABLE INCOME</b>		<b>\$161,685</b>	
<b>CORPORATE INCOME TAX RATE</b>			
Deemed %	13	18.62%	
REGULATORY INCOME TAX		\$30,106	
Taxable Income x Rate			
Miscellaneous Tax Credits	14	\$0	
<b>Total Regulatory Income Tax</b>		<b>\$30,106</b>	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC)		ITEM	Proxy Calculation	Comments
Utility Name: Hearst Power Reporting Period: Jan. 1, 2005 to Dec. 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365			\$	
Percentage used to determine the exemptions for capital tax and large corporations tax			100%	
<b>II) CAPITAL TAXES</b>				
<i>Ontario</i>				
Rate Base	15	\$2,446,312		
Less: Exemption	16	\$7,500,000		
Deemed Taxable Capital		\$0		
Rate (.3%)	17	0.3000%		
<b>Net Amount (Taxable Capital x Rate)</b>			<b>\$0</b>	
<i>Federal (LCT)</i>				
Base	18	\$2,446,312		
Less: Exemption	19	\$50,000,000		
Deemed Taxable Capital		\$0		
Rate (.175%)	20	0.1750%		
Gross Amount (Taxable Capital x Rate)		\$0		
Less: Federal Surtax	21	\$0		
<b>Net LCT</b>			<b>\$0</b>	
<b>III) INCLUSION IN RATES</b>				
Income Tax Rate used for gross- up		18.62%		
Income Tax (grossed-up)	22	\$36,994		
LCT (grossed-up)	23	\$0		
Ontario Capital Tax	24	\$0		
<b>Total S. 93 PILs Rate Adjustment</b> <i>(Enter this amount in the 2005 RAM, Sheet #4, cell G14)</i>		<b>25</b>	<b>\$36,994</b>	

**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**

**Corporate Tax Rates for 2005**

<b>Income Range</b>	<b>\$0 to \$400,000</b>	<b>\$400,001 to \$1,128,000</b>	<b>&gt; \$1,128,000</b>
<b><i>Income Tax Rate</i></b>	18.62%	27.50%	36.12%
<b>Capital Tax Rate</b>	0.300%		
<b>LCT Rate</b>	0.175%		
<b>Surtax</b>	1.12%		
<b>Ontario Capital Tax Exemption</b>	\$7,500,000		
<b>Federal Large Corporations Tax Exemption</b>	\$50,000,000		



# Conservation and Demand Management Tax Forecast

Utility Name: **Hearst Power**  
 File Number: **RP-2005-0013**  
**EB-2005-0002**

	Jan - Dec 2005		Jan - Dec 2006		Jan - Sept 30 <sup>th</sup> 2007		Total	
	\$	%	\$	%	\$	%	\$	%
<b>Capital</b>							\$0	
<b>Tax Deductible Expense</b>								
<b>Total</b>	\$0	0%	\$0	0%	\$0	0%	\$0	0%

**Notes:**

1. Capital that will be recognized for tax purposes (i.e. UCC addition), not from a capital budget or commitment perspective.
2. Expenses to be recognized in the period shown that will be used as a tax deduction for the same period. The 2005 tax deduction amount will be entered automatically into the TAXCALC worksheet, cell C44.
3. The amounts shown in the "Total" column should agree with the C&DM plan filed with or approved by the Board. The amount of the third tranche of MARR is the maximum amount unless the utility has applied for a lower amount.

## Appendix 3 of 5

### Original Board Approved RAMs

**SHEET 1 - December 31, 2002 Regulatory Assets**

Revised for Regulatory assets

<b>NAME OF UTILITY</b>	HEARST POWER DISTRIBUTION COMPANY LIMITED	<b>LICENCE NUMBER</b>	ED-1999-0292
<b>NAME OF CONTACT</b>	NICOLE C. LEDUC	<b>PHONE NUMBER</b>	(705) 372-2815
<b>E- Mail Address</b>	nleduc@ntl.sympatico.ca		
<b>VERSION NUMBER</b>	Revised for Regulatory assets		
<b>Date</b>	08-Mar-04		

Enter the total applied-for regulatory asset amounts for each account in the appropriate cells below:  
(These amounts should correspond to your December 31, 2002 regulatory filings with the OEB.)

Description	Account Number	Applied-for Amount Balance as at Dec. 31, 2002
RSVA - Wholesale Market Service Charge	1580	\$80,206
RSVA - Retail Transmission Network Charge	1584	-\$44,922
RSVA - Retail Transmission Connection Charge	1586	-\$27,838
RSVA - Power	1588	-\$61,717
<b>Sub-Total</b>		-\$54,271
RSVA - One-time Wholesale Market Service	1582	\$0
Other Regulatory Assets	1508	\$0
Retail Cost Variance Account - Retail	1518	\$0
Retail Cost Variance Account - STR	1548	\$0
Misc. Deferred Debits - incl. Rebate Cheques	1525	\$3,752
Deferred Payments in Lieu of Taxes	1562	\$0
PILs Contra Account	1563	\$0
Qualifying Transition Costs	1570	\$94,812
Pre-Market Opening Energy Variances Total	1571	-\$47,375
Pre-Market Opening Energy Variances - 2001		-\$214,259
Pre-Market Opening Energy Variances - 2002		\$166,884
Extra-Ordinary Event Losses	1572	\$0
Deferred Rate Impact Amounts	1574	\$0
Other Deferred Credits	2425	\$0
<b>Total Applied-for Regulatory Assets</b>	<b>(a)</b>	<b>-\$3,082</b>
<b>(1) Total of 4 RSVA Accounts</b>	<b>(b)</b>	<b>-\$54,271</b> Approved for 2004 Final Recovery
<b>4 RSVA accounts as a percent of total: (b) / (a)</b>		1760.7%
<b>(2) 25 % of (a)</b>	<b>(c)</b>	<b>-\$771</b>

If (b) is greater than (c) go to Section 1

If (b) is less than (c) go to Section 2

**Section 1: For LDCs with 4 RSVA accounts greater than 25 % of Total:**

<b>25% of total applied-for Regulatory Asset Accounts: Amount (c)</b>	-\$771	Approved for Final 2004 Rate Recovery
<b>Gross Up for Recovery over 11 months: Amount (c) x 12/11</b>	-\$841	Enter this amount on Sheet 3 (Therefore, entry on Sheet 5 is zero.)
<b>Remaining Final Amount to be recovered in future periods (b) - (c)</b>	-\$53,500	Ignore minus sign

**Section 2: For LDCs with 4 RSVA accounts less than 25 % of Total:**

<b>25% of total applied-for Regulatory Asset Accounts: Amount (c)</b>		-\$771	Approved for 2004 Rate Recovery
<b>Final 4 RSVA Amount as shown at (b)</b>		-\$54,271	
<b>Gross Up for Recovery over 11 months: Amount (b) x 12/11</b>		<input type="text" value="-59,205"/>	Enter this amount on Sheet 3
<b>Interim Amount to be recovered (c) - (b)</b>	<b>(d)</b>	\$53,500	
<b>Gross Up for Recovery over 11 months: Amount (d) x 12/11</b>		<input type="text" value="58,364"/>	Enter this amount on Sheet 5
<b>Total Final + Interim Amount for Recovery (b) + (d) (no gross up)</b>		-\$771	

**Rate Implementation**

**Check Box**  
Yes or No

Our utility is able to pro-rate the bill so that consumption before April 1 is at the old rates and post April 1 consumption is billed at the new rates.

Our utility is not able to pro-rate consumption and therefore our customers will not be charged the new rates until the completion of an entire billing cycle.

## SHEET 2 - 2002 Base Rate Schedule

V1

<b>NAME OF UTILITY</b>	HEARST POWER DISTRIBUTION COMPANY LI	<b>LICENCE NUMBER</b>	ED-1999-0292
<b>NAME OF CONTACT</b>	NICOLE C. LEDUC	<b>PHONE NUMBER</b>	(705) 372-2815
<b>E- Mail Address</b>	nleduc@ntl.sympatico.ca		
<b>VERSION NUMBER</b>	Revised for Regulatory assets		
<b>Date</b>	08-Mar-04		

Enter the values for your 2002 Base Rates as shown in your 2002 RA Model at Sheet 4.

This is the version of the model that was used to determine your current OEB approved rate schedule.

(This removes the impact of the recovery of Q4 2001 PILs, 2002 PILs, and any Z-factors or Interim Transition Cost approvals from Existing Rates).

You may adjust the rate classes if your LDC has non-standard classes.

### RESIDENTIAL

DISTRIBUTION KWH RATE \$0.0062

MONTHLY SERVICE CHARGE (Per Customer) \$5.40

### RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE \$0.0000

MONTHLY SERVICE CHARGE (Per Customer) \$0.00

### GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE \$0.0062

MONTHLY SERVICE CHARGE (Per Customer) \$3.60

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

DISTRIBUTION KW RATE \$1.8720

MONTHLY SERVICE CHARGE (Per Customer) \$21.49

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

DISTRIBUTION KW RATE \$0.0000

MONTHLY SERVICE CHARGE (Per Customer) \$0.00

### Interval Metered

DISTRIBUTION KW RATE \$0.0000

MONTHLY SERVICE CHARGE (Per Customer) \$0.00

### GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE \$0.4033

MONTHLY SERVICE CHARGE (Per Customer) \$41.08

### LARGE USE

DISTRIBUTION KW RATE \$0.0000

MONTHLY SERVICE CHARGE (Per Customer) \$0.00

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

DISTRIBUTION KW RATE \$0.5043

MONTHLY SERVICE CHARGE (Per Connection) \$2.94

OR

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

DISTRIBUTION KW RATE \$0.0000

MONTHLY SERVICE CHARGE (Per Connection) \$0.00

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

DISTRIBUTION KW RATE \$0.6065

MONTHLY SERVICE CHARGE (Per Connection) \$0.72

OR

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

DISTRIBUTION KW RATE \$0.0000

MONTHLY SERVICE CHARGE (Per Connection) \$0.00

### **Unmetered Scattered Loads**

DISTRIBUTION KWH RATE \$0.0062

MONTHLY SERVICE CHARGE (Per Customer) \$3.60

### **RESIDENTIAL - Suburban**

DISTRIBUTION KWH RATE \$0.0000

MONTHLY SERVICE CHARGE (Per Customer) \$0.00

### **GENERAL SERVICE < 50 KW - Suburban**

DISTRIBUTION KWH RATE \$0.0000

MONTHLY SERVICE CHARGE (Per Customer) \$0.00

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

DISTRIBUTION KW RATE \$0.0000

MONTHLY SERVICE CHARGE (Per Customer) \$0.00

### **RESIDENTIAL - Suburban Seasonal**

DISTRIBUTION KWH RATE \$0.0000

MONTHLY SERVICE CHARGE (Per Customer) \$0.00

### **SPECIFIC SERVICE CHARGES**

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES BELOW.

Please enter these charges exactly as they are entered on your current approved rate schedule.



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

<b>NAME OF UTILITY</b>	HEARST POWER DISTRIBUTION COMPANY	<b>LICENCE NUMBER</b>	ED-1999-0292
<b>NAME OF CONTACT</b>	NICOLE C. LEDUC	<b>PHONE NUMBER</b>	(705) 372-2815
<b>E- Mail Address</b>	nleduc@ntl.sympatico.ca		
<b>VERSION NUMBER</b>	Revised for Regulatory assets		
<b>Date</b>	08-Mar-04		

This schedule requires LDCs to input the 2002 statistics which will be used to allocate Regulatory Assets related to the 4 major RSVA accounts. The 4 RSVA related accounts will be allocated to the customer classes on the basis of kWh sales.

Enter the Approved Regulatory Asset recovery from Sheet 1 at either cell D57 or D72. \$ (59,205.00)  
 If the total of the 4 major RSVA related Regulatory Assets is less than 25% of the total Regulatory Assets applied for, enter the additional interim approved amount on Sheet 5.

Use the Table below to enter the 2002 statistics for your LDC.  
 The share of class kWh sold in 2002 is used to allocate the approved final Regulatory Asset amounts related to the 4 major RSVA accounts.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 kWh Shares	2002 Reg. Asset RSVA Allocations	
RESIDENTIAL CLASS		27,598,086	2,303	\$369,833.00	25.3%	-14956.69635	
GENERAL SERVICE <50 KW CLASS		12,005,267	392	\$116,994.00	11.0%	-6506.216885	
GENERAL SERVICE >50 KW NON TIME OF USE	59,974	21,776,077	38	\$142,253.00	19.9%	-11801.47679	
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	\$0.00	0.0%	0	
Interval Metered	0	0	0	\$0.00	0.0%	0	
INTERMEDIATE USE	113,258	46,713,225	3	\$45,741.00	42.8%	-25316.08612	
LARGE USER CLASS	0	0	0	\$0.00	0.0%	0	
SENTINEL LIGHTS	184	63,674	24	\$2,045.00	0.1%	-34.50792506	
STREET LIGHTING CLASS	2,988	1,088,697	1	\$10,841.00	1.0%	-590.0159325	
Unmetered Scattered Loads	-	0	0	\$0.00	0.0%	0	
RESIDENTIAL CLASS - Suburban	-	0	0	\$0.00	0.0%	0	
GENERAL SERVICE <50 KW CLASS - Suburban	-	0	0	\$0.00	0.0%	0	
GENERAL SERVICE >50 KW NON TIME OF USE-Suburban	0	0	0	\$0.00	0.0%	0	
RESIDENTIAL CLASS - Suburban Seasonal	-	0	0	\$0.00	0.0%	0	
<b>TOTALS</b>		109,245,026	2,761	\$ 687,707.00	1.00	\$ (59,205.00)	
		Allocated Total for 4 major RSVA accounts ==>					\$ (59,205.00)

## Residential Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G22 above)	\$ (14,956.70)	\$ -	\$ (14,956.70)
(B) RETAIL kWh in 2002	27,598,086		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	(\$0.000542)		

## General Service <50kW Class

Regulatory Assets will be recovered only in the distribution kWh charge.



	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G23 above)	\$ (6,506.22)	\$ -	\$ (6,506.22)
(B) RETAIL kWh in 2002	12,005,267		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	(\$0.000542)		

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

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G24 above)	\$ (11,801.48)	\$ -	\$ (11,801.48)
(B) RETAIL KW in 2002	59,974		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	(\$0.196777)		

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

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G25 above)	\$ -	\$ -	\$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

### **Interval Metered**

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%

(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G25 above)	\$	-	\$	-	\$	-
(B) RETAIL KW in 2002				0		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)			#DIV/0!			

### Intermediate Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G26 above)	\$ (25,316.09)	\$ -	\$ (25,316.09)
(B) RETAIL KW in 2002	113,258		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	(\$0.223526)		

### Large User Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G27 above)	\$ -	\$ -	\$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

### Sentinel Lighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G28 above)	\$ (34.51)	\$ -	\$ (34.51)
(B) RETAIL KW in 2002	184		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	(\$0.187543)		

### Streetlighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G29 above)	\$ (590.02)	\$ -	\$ (590.02)
(B) RETAIL KW in 2002	2,988		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	(\$0.197462)		

### Unmetered Scattered Loads

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G22 above)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

### Residential Class - Suburban

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G22 above)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

### General Service <50kW Class - Suburban

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G23 above)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002		0	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

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

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G24 above)	\$ -	\$ -	\$ -
(B) RETAIL KW in 2002		0	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

**Residential Class - Suburban Seasonal**

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G22 above)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002		0	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

## Regulatory Assets

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

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPANY LIMITE	LICENCE NUMBER	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	PHONE NUMBER	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of the 4 major RSVA accounts.

### **RESIDENTIAL**

DISTRIBUTION KWH RATE	\$0.0056
MONTHLY SERVICE CHARGE (Per Customer)	\$5.40

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

DISTRIBUTION KWH RATE	-\$0.0005
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

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

DISTRIBUTION KWH RATE	\$0.0056
MONTHLY SERVICE CHARGE (Per Customer)	\$3.60

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

DISTRIBUTION KW RATE	\$1.6752
MONTHLY SERVICE CHARGE (Per Customer)	\$21.49

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

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

### **Interval Metered**

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

### **GENERAL SERVICE INTERMEDIATE USE**

DISTRIBUTION KW RATE	\$0.1798
MONTHLY SERVICE CHARGE (Per Customer)	\$41.08

### **LARGE USE**

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

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

DISTRIBUTION KW RATE \$0.3167  
MONTHLY SERVICE CHARGE (Per Connection) \$2.94

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE -\$0.1875  
MONTHLY SERVICE CHARGE (Per Connection) \$0.00

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

DISTRIBUTION KW RATE \$0.4090  
MONTHLY SERVICE CHARGE (Per Connection) \$0.72

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE -\$0.1975  
MONTHLY SERVICE CHARGE (Per Connection) \$0.00

**Unmetered Scattered Loads**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$3.60

**RESIDENTIAL - Suburban**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

**GENERAL SERVICE < 50 KW - Suburban**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

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

DISTRIBUTION KW RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

**RESIDENTIAL - Suburban Seasonal**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

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

<b>NAME OF UTILITY</b>	HEARST POWER DISTRIBUTION COMPANY	<b>LICENCE NUMBER</b>	ED-1999-0292
<b>NAME OF CONTACT</b>	NICOLE C. LEDUC	<b>PHONE NUMBER</b>	(705) 372-2815
<b>E- Mail Address</b>	nleduc@ntl.sympatico.ca		
<b>VERSION NUMBER</b>	Revised for Regulatory assets		
<b>Date</b>	08-Mar-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate interim approved Regulatory Asset amounts required to achieve the 25% threshold. (If the 4 major RSVA accounts do not total to 25% or more of total Regulatory Assets applied for.)

The interim Regulatory Assets will be allocated to the customer classes on the basis of distribution revenue.

Enter the Interim Regulatory Asset recovery from Sheet 1 at cell D76. \$ 13,960.64

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2002 Interim Reg. Asset Allocations
RESIDENTIAL CLASS	-	27,598,086	2,303	\$369,833.00	53.8%	7507.710948
GENERAL SERVICE <50 KW CLASS	-	12,005,267	392	\$116,994.00	17.0%	2375.010166
GENERAL SERVICE >50 KW NON TIME OF USE	59,974	21,776,077	38	\$142,253.00	20.7%	2887.774767
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	\$0.00	0.0%	0
Interval Metered	0	0	0	\$0.00	0.0%	0
INTERMEDIATE USE	113,258	46,713,225	3	\$45,741.00	6.7%	928.5547977
LARGE USER CLASS	0	0	0	\$0.00	0.0%	0
SENTINEL LIGHTS	184	63,674	24	\$2,045.00	0.3%	41.51405875
STREET LIGHTING CLASS	2,988	1,088,697	1	\$10,841.00	1.6%	220.0752621
Unmetered Scattered Loads	-	0	0	\$0.00	0.0%	0
RESIDENTIAL CLASS - Suburban	-	0	0	\$0.00	0.0%	0
GENERAL SERVICE <50 KW CLASS - Suburban	-	0	0	\$0.00	0.0%	0
GENERAL SERVICE >50 KW NON TIME OF USE-Suburban	0	0	0	\$0.00	0.0%	0
RESIDENTIAL CLASS - Suburban Seasonal	-	0	0	\$0.00	0.0%	0
<b>TOTALS</b>		109,245,026	2,761	\$687,707.00	1.00	\$ 13,960.64
		Allocated Total for additional interim amounts ==>				\$ 13,960.64

### Residential Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	\$ 7,507.71	\$ -	\$ 7,507.71
(B) RETAIL kWh in 2002	27,598,086		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.000272		

### General Service <50kW Class

Regulatory Assets will be recovered only in the distribution kWh charge.



	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above)	\$ 2,375.01	\$ -	\$ 2,375.01
(B) RETAIL kWh in 2002	12,005,267		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.000198		

### General Service >50kW Class Non TOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above)	\$ 2,887.77	\$ -	\$ 2,887.77
(B) RETAIL KW in 2002	59,974		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.048150		

### General Service >50kW Class TOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G25 above)	\$ -	\$ -	\$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

### Interval metered

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%

(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G25 above)	\$	-	\$	-	\$	-
(B) RETAIL KW in 2002				0		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)				#DIV/0!		

### Intermediate Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G26 above)	\$	928.55	\$
(B) RETAIL KW in 2002		113,258	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)		\$0.008199	

### Large User Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G27 above)	\$	-	\$
(B) RETAIL KW in 2002		0	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)		#DIV/0!	

### Sentinel Lighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G28 above)	\$	41.51	\$
(B) RETAIL KW in 2002		184	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)		\$0.225620	

### Streetlighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G29 above)	\$ 220.08	\$ -	\$ 220.08
(B) RETAIL KW in 2002	2,988		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.073653		

### Unmetered Scattered Loads

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

### Residential Class - Suburban

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

### General Service <50kW Class - Suburban

Regulatory Assets will be recovered only in the distribution kWh charge.

(A) ALLOCATED Interim Regulatory Asset Recovery  
(Total in Cell G23 above)

(B) RETAIL kWh in 2002

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

VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
1.000	0.000	100%

\$ - \$ - \$ -

0

#DIV/0!

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

Regulatory Assets will be recovered only in the distribution kW charge.

(A) ALLOCATED Interim Regulatory Asset Recovery  
(Total in Cell G24 above)

(B) RETAIL KW in 2002

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

VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
1.000	0.000	100%

\$ - \$ - \$ -

0

#DIV/0!

**Residential Class - Suburban Seasonal**

Regulatory Assets will be recovered only in the distribution kWh charge.

(A) ALLOCATED Interim Regulatory Asset Recovery  
(Total in Cell G22 above)

(B) RETAIL kWh in 2002

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

VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
1.000	0.000	100%

\$ - \$ - \$ -

0

#DIV/0!

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

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPANY LIMITE	LICENCE NUMBER	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	PHONE NUMBER	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of interim Regulatory Asset Amounts if required to achieve the 25% Regulatory Asset threshold.

### **RESIDENTIAL**

DISTRIBUTION KWH RATE	\$0.0059
MONTHLY SERVICE CHARGE (Per Customer)	\$5.40

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

DISTRIBUTION KWH RATE	-\$0.0003
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

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

DISTRIBUTION KWH RATE	\$0.0058
MONTHLY SERVICE CHARGE (Per Customer)	\$3.60

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

DISTRIBUTION KW RATE	\$1.7233
MONTHLY SERVICE CHARGE (Per Customer)	\$21.49

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

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

### **Interval Metered**

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

### **GENERAL SERVICE INTERMEDIATE USE**

DISTRIBUTION KW RATE	\$0.1880
MONTHLY SERVICE CHARGE (Per Customer)	\$41.08

### **LARGE USE**

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

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

DISTRIBUTION KW RATE \$0.5424  
MONTHLY SERVICE CHARGE (Per Connection) \$2.94

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE \$0.0381  
MONTHLY SERVICE CHARGE (Per Connection) \$0.00

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

DISTRIBUTION KW RATE \$0.4827  
MONTHLY SERVICE CHARGE (Per Connection) \$0.72

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE -\$0.1238  
MONTHLY SERVICE CHARGE (Per Connection) \$0.00

**Unmetered Scattered Loads**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$3.60

**RESIDENTIAL - Suburban**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

**GENERAL SERVICE < 50 KW - Suburban**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

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

DISTRIBUTION KW RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

**RESIDENTIAL - Suburban Seasonal**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

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

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPANY	LICENCE NUMBER	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	PHONE NUMBER	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate the 2004 PILs proxy amount. The PILS proxy amount is the same amount used for the PILs proxy in 2002.

The 2004 PILs Proxy will be allocated to the customer classes on the basis of distribution revenue.

Enter the 2002 PILs proxy amount as approved by the OEB in 2002 and shown on your 2002 RAM model at Sheet 8. \$ 34,428.72

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2004 PILs Proxy Allocations
RESIDENTIAL CLASS	-	27,598,086	2,303	\$369,833.00	53.8%	18514.97193
GENERAL SERVICE <50 KW CLASS	-	12,005,267	392	\$116,994.00	17.0%	5857.077724
GENERAL SERVICE >50 KW NON TIME OF USE	59,974	21,776,077	38	\$142,253.00	20.7%	7121.620575
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	\$0.00	0.0%	0
Interval Metered	0	0	0	\$0.00	0.0%	0
INTERMEDIATE USE	113,258	46,713,225	3	\$45,741.00	6.7%	2289.93446
LARGE USER CLASS	0	0	0	\$0.00	0.0%	0
SENTINEL LIGHTS	184	63,674	24	\$2,045.00	0.3%	102.3789591
STREET LIGHTING CLASS	2,988	1,088,697	1	\$10,841.00	1.6%	542.7336411
Unmetered Scattered Loads	-	0	0	\$0.00	0.0%	0
RESIDENTIAL CLASS - Suburban	-	0	0	\$0.00	0.0%	0
GENERAL SERVICE <50 KW CLASS - Suburban	-	0	0	\$0.00	0.0%	0
GENERAL SERVICE >50 KW NON TIME OF USE-Suburban	0	0	0	\$0.00	0.0%	0
RESIDENTIAL CLASS - Suburban Seasonal	-	0	0	\$0.00	0.0%	0
<b>TOTALS</b>		<b>109,245,026</b>	<b>2,761</b>	<b>\$687,707.00</b>	<b>1.00</b>	<b>\$ 34,428.72</b>
		Allocated Total for additional interim amounts ==>				<b>\$ 34,428.72</b>

### Residential Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G22 above)	\$ 18,514.97	\$ -	\$ 18,514.97
(B) RETAIL kWh in 2002	27,598,086		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.000671		

### General Service <50kW Class

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

VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2004 ALLOCATED PILs Proxy Recovery

	Percentage	Percentage	
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G23 above)	\$ 5,857.08	\$ -	\$ 5,857.08
(B) RETAIL kWh in 2002	12,005,267		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.000488		

### General Service >50kW Class Non TOU

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G24 above)	\$ 7,121.62	\$ -	\$ 7,121.62
(B) RETAIL KW in 2002	59,974		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.118745		

### General Service >50kW Class TOU

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G25 above)	\$ -	\$ -	\$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

### Interval Metered

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G25 above)	\$ -	\$ -	\$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		



### Intermediate Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G26 above)	\$ 2,289.93	\$ -	\$ 2,289.93
(B) RETAIL KW in 2002	113,258		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.020219		

### Large User Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G27 above)	\$ -	\$ -	\$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

### Sentinel Lighting Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G28 above)	\$ 102.38	\$ -	\$ 102.38
(B) RETAIL KW in 2002	184		
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	\$0.556407		

### Streetlighting Class

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

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
--	--	---	---

1.000	0.000	100%
-------	-------	------

(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G29 above) \$ 542.73 \$ - \$ 542.73

(B) RETAIL KW in 2002 2,988

(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) \$0.181638  
(this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)

**Unmetered Scattered Loads**

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

**Residential Class - Suburban**

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

**General Service <50kW Class - Suburban**

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002	0		
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

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

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above)	\$ -	\$ -	\$ -
(B) RETAIL KW in 2002		0	
(D) ADDITIONAL DISTRIBUTION KW RATE (\$/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

**Residential Class - Suburban Seasonal**

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	\$ -	\$ -	\$ -
(B) RETAIL kWh in 2002		0	
(D) ADDITIONAL DISTRIBUTION KWH RATE (\$/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

## SHEET 8 - 2004 Rates including Recovery of 2004 PILs

NAME OF UTILITY	HEARST POWER DISTRIBUTION COMPANY LIMITE	LICENCE NUMBER	ED-1999-0292
NAME OF CONTACT	NICOLE C. LEDUC	PHONE NUMBER	(705) 372-2815
E- Mail Address	nleduc@ntl.sympatico.ca		
VERSION NUMBER	Revised for Regulatory assets		
Date	08-Mar-04		

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

### **RESIDENTIAL**

DISTRIBUTION KWH RATE	\$0.0066
MONTHLY SERVICE CHARGE (Per Customer)	\$5.40

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

DISTRIBUTION KWH RATE	\$0.0004
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

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

DISTRIBUTION KWH RATE	\$0.0063
MONTHLY SERVICE CHARGE (Per Customer)	\$3.60

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

DISTRIBUTION KW RATE	\$1.8421
MONTHLY SERVICE CHARGE (Per Customer)	\$21.49

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

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

### **Interval Metered**

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

### **GENERAL SERVICE INTERMEDIATE USE**

DISTRIBUTION KW RATE	\$0.2082
MONTHLY SERVICE CHARGE (Per Customer)	\$41.08

### **LARGE USE**

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	\$0.00

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

DISTRIBUTION KW RATE \$1.0988  
MONTHLY SERVICE CHARGE (Per Connection) \$2.94

OR

**SENTINEL LIGHTS (TIME OF USE)**

DISTRIBUTION KW RATE \$0.5945  
MONTHLY SERVICE CHARGE (Per Connection) \$0.00

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

DISTRIBUTION KW RATE \$0.6643  
MONTHLY SERVICE CHARGE (Per Connection) \$0.72

OR

**STREET LIGHTING (TIME OF USE)**

DISTRIBUTION KW RATE \$0.0578  
MONTHLY SERVICE CHARGE (Per Connection) \$0.00

**Unmetered Scattered Loads**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$3.60

**RESIDENTIAL - Suburban**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

**GENERAL SERVICE < 50 KW - Suburban**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

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

DISTRIBUTION KW RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

**RESIDENTIAL - Suburban Seasonal**

DISTRIBUTION KWH RATE #DIV/0!  
MONTHLY SERVICE CHARGE (Per Customer) \$0.00

## SHEET 9 - Adjustment to Maintain the Current Service Charge Level

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

HEARST POWER DISTRIBUTION COMPANY LICENCE NUMBER  
 NICOLE C. LEDUC PHONE NUMBER  
 nleduc@ntl.sympatico.ca  
 Revised for Regulatory assets  
 08-Mar-04

ED-1999-0292  
 (705) 372-2815

This sheet adjusts the resulting fixed Monthly Service Charge to maintain the charge at current levels.  
 The kWh distribution rate is then adjusted to maintain revenue neutrality in the class.

Input the current approved Monthly Service Charge in the following table at Column E.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Current Approved Fixed Charge
RESIDENTIAL CLASS	-	27,598,086	2,303	\$5.75
GENERAL SERVICE <50 KW CLASS	-	12,005,267	392	\$3.79
GENERAL SERVICE >50 KW NON TIME OF USE	59,974	21,776,077	38	\$24.15
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	\$0.00
Interval Metered	0	0	0	\$0.00
INTERMEDIATE USE	113,258	46,713,225	3	\$43.52
LARGE USER CLASS	0	0	0	\$0.00
SENTINEL LIGHTS	184	63,674	24	\$3.12
STREET LIGHTING CLASS	2,988	1,088,697	1	\$0.76
Unmetered Scattered Loads	-	0	0	\$3.79
RESIDENTIAL CLASS - Suburban	-	0	0	\$0.00
GENERAL SERVICE <50 KW CLASS - Suburban	-	0	0	\$0.00
GENERAL SERVICE >50 KW NON TIME OF USE-Suburban	0	0	0	\$0.00
RESIDENTIAL CLASS - Suburban Seasonal	-	0	0	\$0.00
<b>TOTALS</b>		<b>109,245,026</b>	<b>2,761</b>	

### Residential Class

Revenue from Current Monthly Service Charge	\$158,907
Revenue from Calculated Monthly Service Charge (Sheet 8)	\$149,368
Difference	\$9,539

Variable Rate Adjustment	\$/kWh	\$	0.0003
Adjusted Variable Rate	\$/kWh		<b>\$ 0.0062</b>

### Residential Class (Time of Use)

Revenue from Current Monthly Service Charge	\$158,907
Revenue from Calculated Monthly Service Charge (Sheet 8)	\$149,368
Difference	\$9,539

Variable Rate Adjustment	\$/kWh	\$	0.0003
Adjusted Variable Rate	\$/kWh		<b>\$ 0.0001</b>

### General Service <50 kW Class

Revenue from Current Monthly Service Charge	\$17,828
Revenue from Calculated Monthly Service Charge (Sheet 8)	\$16,920
Difference	\$908

Variable Rate Adjustment	\$/kWh	\$	0.0001
Adjusted Variable Rate	\$/kWh		<b>\$ 0.0062</b>

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

Revenue from Current Monthly Service Charge			\$11,012	
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$9,798	
Difference			\$1,214	
Variable Rate Adjustment	\$/kW	\$	0.0202	
Adjusted Variable Rate	\$/kW			\$ 1.8218

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

Revenue from Current Monthly Service Charge			\$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0	
Difference			\$0	
Variable Rate Adjustment	\$/kW	#DIV/0!		
Adjusted Variable Rate	\$/kW			#DIV/0!

**Interval Metered**

Revenue from Current Monthly Service Charge			\$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0	
Difference			\$0	
Variable Rate Adjustment	\$/kW	#DIV/0!		
Adjusted Variable Rate	\$/kW			#DIV/0!

**General Service Intermediate Use Class**

Revenue from Current Monthly Service Charge			\$1,567	
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$1,479	
Difference			\$88	
Variable Rate Adjustment	\$/kW	0.000775398		
Adjusted Variable Rate	\$/kW			\$ 0.2074

**General Service Large Use Class**

Revenue from Current Monthly Service Charge			\$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0	
Difference			\$0	
Variable Rate Adjustment	\$/kW	#DIV/0!		
Adjusted Variable Rate	\$/kW			#DIV/0!

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

Revenue from Current Monthly Service Charge			\$899	
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$847	
Difference			\$51	
Variable Rate Adjustment	\$/kW	0.279200408		
Adjusted Variable Rate	\$/kW			\$ 0.8196

OR

**SENTINEL LIGHTS (TIME OF USE)**

Revenue from Current Monthly Service Charge			\$899	
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0	
Difference			\$899	
Variable Rate Adjustment	\$/kW	4.883478261		
Adjusted Variable Rate	\$/kW			\$ (4.2890)

**Streetlighting (Non Time of Use)**

Revenue from Current Monthly Service Charge			\$9
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$9
Difference			\$1
Variable Rate Adjustment	\$/kW	0.0002	
Adjusted Variable Rate	\$/kW		<b>\$ 0.6642</b>

**OR**

**Streetlighting (Time of Use)**

Revenue from Current Monthly Service Charge			\$9
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0
Difference			\$9
Variable Rate Adjustment	\$/kW	0.00	
Adjusted Variable Rate	\$/kW		<b>\$ 0.0548</b>

**Unmetered Scattered Loads**

Revenue from Current Monthly Service Charge			\$0
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0
Difference			\$0
Variable Rate Adjustment	\$/kWh	#DIV/0!	
Adjusted Variable Rate	\$/kWh		<b>#DIV/0!</b>

**RESIDENTIAL - Suburban**

Revenue from Current Monthly Service Charge			\$0
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0
Difference			\$0
Variable Rate Adjustment	\$/kWh	#DIV/0!	
Adjusted Variable Rate	\$/kWh		<b>#DIV/0!</b>

**GENERAL SERVICE < 50 KW - Suburban**

Revenue from Current Monthly Service Charge			\$0
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0
Difference			\$0
Variable Rate Adjustment	\$/kWh	#DIV/0!	
Adjusted Variable Rate	\$/kWh		<b>#DIV/0!</b>

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

Revenue from Current Monthly Service Charge			\$0
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0
Difference			\$0
Variable Rate Adjustment	\$/kW	#DIV/0!	
Adjusted Variable Rate	\$/kW		<b>#DIV/0!</b>

**RESIDENTIAL - Suburban Seasonal**

Revenue from Current Monthly Service Charge			\$0
Revenue from Calculated Monthly Service Charge (Sheet 8)			\$0
Difference			\$0
Variable Rate Adjustment	\$/kWh	#DIV/0!	



Adjusted Variable Rate

\$/kWh

#DIV/0!

**HEARST POWER DISTRIBUTION COMPANY LIMITED****Schedule of Distribution Rates and Charges**

Effective April 1, 2004 until February 28, 2005

RP-2004-0056

EB-2004-0042

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

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$5.75
Distribution Volumetric Rate	(per kWh)	\$0.0062

**RESIDENTIAL (Time of Use)**

Monthly Service Charge	(per month)	\$5.75
Distribution Volumetric Rate	(per kWh)	\$0.0001

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$3.79
Distribution Volumetric Rate	(per kWh)	\$0.0062

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

Monthly Service Charge	(per month)	\$24.15
Distribution Volumetric Rate	(per kW)	\$1.8218

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

Monthly Service Charge	(per month)	\$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!

**Interval Metered**

Monthly Service Charge	(per month)	\$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!

**GENERAL SERVICE INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$43.52
Distribution Volumetric Rate	(per kW)	\$0.2074

**LARGE USE**

Monthly Service Charge	(per month)	\$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!

**HEARST POWER DISTRIBUTION COMPANY LIMITED**  
**Schedule of Distribution Rates and Charges**

RP-2004-0056  
EB-2004-0042

Effective April 1, 2004 until February 28, 2005

(continued)

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

Monthly Service Charge	(per month)	\$3.12
Distribution Volumetric Rate	(per kW)	\$0.8196

**SENTINEL LIGHTS (Time of Use)**

Monthly Service Charge	(per month)	\$3.12
Distribution Volumetric Rate	(per kW)	-\$4.2890

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

Monthly Service Charge	(per month)	\$0.76
Distribution Volumetric Rate	(per kW)	\$0.6642

**STREET LIGHTING (Time of Use)**

Monthly Service Charge	(per month)	\$0.76
Distribution Volumetric Rate	(per kW)	\$0.0548

**Unmetered Scattered Loads**

Billed at General Service <50 kW rates

Monthly Service Charge	(per month)	\$3.79
Distribution Volumetric Rate	(per kWh)	\$0.0062

**RESIDENTIAL - Suburban**

Monthly Service Charge	(per month)	\$0.00
Distribution Volumetric Rate	(per kWh)	#DIV/0!

**GENERAL SERVICE < 50 KW - Suburban**

Monthly Service Charge	(per month)	\$0.00
Distribution Volumetric Rate	(per kWh)	#DIV/0!

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



Monthly Service Charge	(per month)	\$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!

**RESIDENTIAL - Suburban Seasonal**



Monthly Service Charge	(per month)	\$0.00
Distribution Volumetric Rate	(per kWh)	#DIV/0!

**SPECIFIC SERVICE CHARGES**

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

Late Payment	(per month)	1.50%
	(per annum)	19.56%
Returned cheque charge (actual bank charges p	\$	8.00
Collection of account charge	\$	8.25
Reconnection - during regular working hours	\$	16.00
Account set up charge	\$	8.25
Arrear's certificate charge	\$	10.00
Dispute involvment charge	\$	5.00

**Credits**

Allowance (per kW) for customer owned transformers, service at less than 115 kv .	\$0.60
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MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75
DISTRIBUTION kWh	1000	0.0065	\$	6.50	DISTRIBUTION kWh	1000	0.0062	\$	6.21
OTHER CHARGES kWh	1000	0.0239	\$	23.90	OTHER CHARGES kWh	1000	0.02390	\$	23.90
COST OF POWER kWh	1000	0.0430	\$	43.00	COST OF POWER kWh	1000	0.0430	\$	43.00

CURRENT 2003 BILL \$ 79.15 Adjusted 2004 BILL \$ 78.86 \$ (0.29) -0.4%

**MONTHLY CONSUMPTION OF 1500 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75
DISTRIBUTION kWh	1500	0.0065	\$	9.75	DISTRIBUTION kWh	1500	0.0062	\$	9.32
OTHER CHARGES kWh	1500	0.0239	\$	35.85	OTHER CHARGES kWh	1500	0.0239	\$	35.85
COST OF POWER kWh	1500	0.0430	\$	64.50	COST OF POWER kWh	1500	0.0430	\$	64.50

CURRENT 2003 BILL \$ 115.85 Adjusted 2004 BILL \$ 115.42 \$ (0.43) -0.4%

**MONTHLY CONSUMPTION OF 2000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75
DISTRIBUTION kWh	2000	0.0065	\$	13.00	DISTRIBUTION kWh	2000	0.0062	\$	12.42
OTHER CHARGES kWh	2000	0.0239	\$	47.80	OTHER CHARGES kWh	2000	0.0239	\$	47.80
COST OF POWER kWh	2000	0.0430	\$	86.00	COST OF POWER kWh	2000	0.0430	\$	86.00

CURRENT 2003 BILL \$ 152.55 Adjusted 2004 BILL \$ 151.97 \$ (0.58) -0.4%

**GENERAL SERVICE < 50 KW**

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

**CURRENT 2003 BILL** | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

**ENTER DESIRED CONSUMPTION LEVEL**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79
DISTRIBUTION kWh	1000	0.0066	\$	6.60	DISTRIBUTION kWh	1000	0.0062	\$	6.22
OTHER CHARGES kWh	1000	0.0229	\$	22.90	OTHER CHARGES kWh	1000	0.0229	\$	22.90
COST OF POWER kWh	1000	0.0430	\$	43.00	COST OF POWER kWh	1000	0.0430	\$	43.00

CURRENT 2003 BILL \$ 76.29 Adjusted 2004 BILL \$ 75.91 \$ (0.38) -0.5%

**MONTHLY CONSUMPTION 2000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79
DISTRIBUTION kWh	2000	0.0066	\$	13.20	DISTRIBUTION kWh	2000	0.0062	\$	12.45
OTHER CHARGES kWh	2000	0.0229	\$	45.80	OTHER CHARGES kWh	2000	0.0229	\$	45.80
COST OF POWER kWh	2000	0.0430	\$	86.00	COST OF POWER kWh	2000	0.0430	\$	86.00

CURRENT 2003 BILL \$ 148.79 Adjusted 2004 BILL \$ 148.04 \$ (0.75) -0.5%

**MONTHLY CONSUMPTION 5000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
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CURRENT 2003 BILL					Adjusted 2004 BILL					
MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	
DISTRIBUTION kWh	5000	0.0066	\$	33.00	DISTRIBUTION kWh	5000	0.0062	\$	31.12	
OTHER CHARGES kWh	5000	0.0229	\$	114.50	OTHER CHARGES kWh	5000	0.0229	\$	114.50	
COST OF POWER kWh	5000	0.0430	\$	215.00	COST OF POWER kWh	5000	0.0430	\$	215.00	
CURRENT 2003 BILL				\$ 366.29	Adjusted 2004 BILL				\$ 364.41	\$ (1.88) -0.5%

**MONTHLY CONSUMPTION 10,000 kWh**

CURRENT 2003 BILL					Adjusted 2004 BILL					
MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	
DISTRIBUTION kWh	10000	0.0066	\$	66.00	DISTRIBUTION kWh	10000	0.0062	\$	62.23	
OTHER CHARGES kWh	10000	0.0229	\$	229.00	OTHER CHARGES kWh	10000	0.0229	\$	229.00	
COST OF POWER kWh	10000	0.0430	\$	430.00	COST OF POWER kWh	10000	0.0430	\$	430.00	
CURRENT 2003 BILL				\$ 728.79	Adjusted 2004 BILL				\$ 725.02	\$ (3.77) -0.5%

**MONTHLY CONSUMPTION 15,000 kWh**

CURRENT 2003 BILL					Adjusted 2004 BILL					
MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	
DISTRIBUTION kWh	15000	0.0066	\$	99.00	DISTRIBUTION kWh	15000	0.0062	\$	93.35	
OTHER CHARGES kWh	15000	0.0229	\$	343.50	OTHER CHARGES kWh	15000	0.0229	\$	343.50	
COST OF POWER kWh	15000	0.0430	\$	645.00	COST OF POWER kWh	15000	0.0430	\$	645.00	
CURRENT 2003 BILL				\$ 1,091.29	Adjusted 2004 BILL				\$ 1,085.64	\$ (5.65) -0.5%

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

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of \$3.91/kW, Wholesale Market Service Rate of \$0.0062 and Debt Reduction Charge of \$0.007 for a total of \$0.0132/kWh. These charges may differ slightly for your utility. Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates if Consumption has not been adjusted for line losses.

**CURRENT 2003 BILL** | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

**ENTER DESIRED CONSUMPTION LEVEL**

CURRENT 2003 BILL					2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)					
MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	
DISTRIBUTION kW	60	1.9777	\$	118.66	DISTRIBUTION kW	60	1.8218	\$	109.31	
OTHER CHARGES kW	60	3.9100	\$	234.60	OTHER CHARGES kW	60	3.9100	\$	234.60	
OTHER CHARGES kWh	15,000	0.0132	\$	198.00	OTHER CHARGES kWh	15,000	0.0132	\$	198.00	
COST OF POWER kWh	15,000	0.0550	\$	825.00	COST OF POWER kWh	15,000	0.0550	\$	825.00	
CURRENT 2003 BILL				\$ 1,400.41	Adjusted 2004 BILL				\$ 1,391.06	\$ (9.35) -0.7%

**MONTHLY CONSUMPTION 100kW, 40,000kWh**

CURRENT 2003 BILL					Adjusted 2004 BILL					
MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	
DISTRIBUTION kW	100	1.9777	\$	197.77	DISTRIBUTION kW	100	1.8218	\$	182.18	
OTHER CHARGES kW	100	3.9100	\$	391.00	OTHER CHARGES kW	100	3.9100	\$	391.00	
OTHER CHARGES kWh	40,000	0.0132	\$	528.00	OTHER CHARGES kWh	40,000	0.0132	\$	528.00	
COST OF POWER kWh	40,000	0.0550	\$	2,200.00	COST OF POWER kWh	40,000	0.0550	\$	2,200.00	
CURRENT 2003 BILL				\$ 3,340.92	Adjusted 2004 BILL				\$ 3,325.33	\$ (15.59) -0.5%

**MONTHLY CONSUMPTION 500kW, 100,000kWh**

CURRENT 2003 BILL					Adjusted 2004 BILL					
MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	
DISTRIBUTION kW	100	1.9777	\$	197.77	DISTRIBUTION kW	100	1.8218	\$	182.18	
OTHER CHARGES kW	100	3.9100	\$	391.00	OTHER CHARGES kW	100	3.9100	\$	391.00	
OTHER CHARGES kWh	40,000	0.0132	\$	528.00	OTHER CHARGES kWh	40,000	0.0132	\$	528.00	
COST OF POWER kWh	40,000	0.0550	\$	2,200.00	COST OF POWER kWh	40,000	0.0550	\$	2,200.00	
CURRENT 2003 BILL				\$ 3,340.92	Adjusted 2004 BILL				\$ 3,325.33	\$ (15.59) -0.5%



MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	
DISTRIBUTION kW	500	1.9777	\$	988.85	DISTRIBUTION kW	500	1.8218	\$	910.92	
OTHER CHARGES kW	500	3.9100	\$	1,955.00	OTHER CHARGES kW	500	3.9100	\$	1,955.00	
OTHER CHARGES kWh	100,000	0.0132	\$	1,320.00	OTHER CHARGES kWh	100,000	0.0132	\$	1,320.00	
COST OF POWER kWh	100,000	0.0550	\$	5,500.00	COST OF POWER kWh	100,000	0.0550	\$	5,500.00	
CURRENT 2003 BILL				\$ 9,788.00	Adjusted 2004 BILL				\$ 9,710.07	\$ (77.93) -0.8%

**MONTHLY CONSUMPTION  
1000kW, 400,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	
DISTRIBUTION kW	1000	1.9777	\$	1,977.70	DISTRIBUTION kW	1000	1.8218	\$	1,821.85	
OTHER CHARGES kW	1000	3.9100	\$	3,910.00	OTHER CHARGES kW	1000	3.9100	\$	3,910.00	
OTHER CHARGES kWh	400,000	0.0132	\$	5,280.00	OTHER CHARGES kWh	400,000	0.0132	\$	5,280.00	
COST OF POWER kWh	400,000	0.0550	\$	22,000.00	COST OF POWER kWh	400,000	0.0550	\$	22,000.00	
CURRENT 2003 BILL				\$ 33,191.85	Adjusted 2004 BILL				\$ 33,036.00	\$ (155.85) -0.5%

**MONTHLY CONSUMPTION  
3,000kW, 1,000,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	
DISTRIBUTION kW	3000	1.9777	\$	5,933.10	DISTRIBUTION kW	3000	1.8218	\$	5,465.55	
OTHER CHARGES kW	3000	3.9100	\$	11,730.00	OTHER CHARGES kW	3000	3.9100	\$	11,730.00	
OTHER CHARGES kWh	1,000,000	0.0132	\$	13,200.00	OTHER CHARGES kWh	1,000,000	0.0132	\$	13,200.00	
COST OF POWER kWh	1,000,000	0.0550	\$	55,000.00	COST OF POWER kWh	1,000,000	0.0550	\$	55,000.00	
CURRENT 2003 BILL				\$ 85,887.25	Adjusted 2004 BILL				\$ 85,419.70	\$ (467.55) -0.5%

**MONTHLY CONSUMPTION  
4,000kW, 1,800,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	MONTHLY SERVICE CHARGE	n/a	n/a	\$	24.15	
DISTRIBUTION kW	4000	1.9777	\$	7,910.80	DISTRIBUTION kW	4000	1.82185	\$	7,287.40	
OTHER CHARGES kW	4000	3.9100	\$	15,640.00	OTHER CHARGES kW	4000	3.9100	\$	15,640.00	
OTHER CHARGES kWh	1,800,000	0.0132	\$	23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	\$	23,760.00	
COST OF POWER kWh	1,800,000	0.0550	\$	99,000.00	COST OF POWER kWh	1,800,000	0.0550	\$	99,000.00	
CURRENT 2003 BILL				\$ 146,334.95	Adjusted 2004 BILL				\$ 145,711.55	\$ (623.40) -0.4%

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

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of \$4.2138/kW, Wholesale Market Service Rate of \$0.0062 and Debt Reduction Charge of \$0.007 for a total of \$0.0132/kWh. These charges may differ slightly for your utility.  
 Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates if Consumption has not been adjusted for line losses.

**CURRENT 2003 BILL**

**2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

**ENTER DESIRED CONSUMPTION LEVEL**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 0.00		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kW	60	0.0000	\$ -		DISTRIBUTION kW	60	#DIV/0!	#DIV/0!	
OTHER CHARGES kW	60	4.2138	\$ 252.83		OTHER CHARGES kW	60	4.2138	\$ 252.83	
OTHER CHARGES kWh	15,000	0.0132	\$ 198.00		OTHER CHARGES kWh	15,000	0.0132	\$ 198.00	



COST OF POWER kWh	15,000	0.0550	\$	825.00	COST OF POWER kWh	15,000	0.0550	\$	825.00		
CURRENT 2003 BILL				\$ 1,275.83	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION  
100kW, 40,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -			
kW	100	0.0000	\$ -		kW	100	#DIV/0!	#DIV/0!			
OTHER CHARGES kW	100	4.2138	\$ 421.38		OTHER CHARGES kW	100	4.2138	\$ 421.38			
OTHER CHARGES kWh	40,000	0.0132	\$ 528.00		OTHER CHARGES kWh	40,000	0.0132	\$ 528.00			
COST OF POWER kWh	40,000	0.0550	\$ 2,200.00		COST OF POWER kWh	40,000	0.0550	\$ 2,200.00			
CURRENT 2003 BILL				\$ 3,149.38	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION  
500kW, 100,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -			
kW	500	0.0000	\$ -		kW	500	#DIV/0!	#DIV/0!			
OTHER CHARGES kW	500	4.2138	\$ 2,106.90		OTHER CHARGES kW	500	4.2138	\$ 2,106.90			
OTHER CHARGES kWh	100,000	0.0132	\$ 1,320.00		OTHER CHARGES kWh	100,000	0.0132	\$ 1,320.00			
COST OF POWER kWh	100,000	0.0550	\$ 5,500.00		COST OF POWER kWh	100,000	0.0550	\$ 5,500.00			
CURRENT 2003 BILL				\$ 8,926.90	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION  
1000kW, 400,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -			
kW	1000	0.0000	\$ -		kW	1000	#DIV/0!	#DIV/0!			
OTHER CHARGES kW	1000	4.2138	\$ 4,213.80		OTHER CHARGES kW	1000	4.2138	\$ 4,213.80			
OTHER CHARGES kWh	400,000	0.0132	\$ 5,280.00		OTHER CHARGES kWh	400,000	0.0132	\$ 5,280.00			
COST OF POWER kWh	400,000	0.0550	\$ 22,000.00		COST OF POWER kWh	400,000	0.0550	\$ 22,000.00			
CURRENT 2003 BILL				\$ 31,493.80	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION  
3,000kW, 1,000,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -			
kW	3000	0.0000	\$ -		kW	3000	#DIV/0!	#DIV/0!			
OTHER CHARGES kW	3000	4.2138	\$ 12,641.40		OTHER CHARGES kW	3000	4.2138	\$ 12,641.40			
OTHER CHARGES kWh	1,000,000	0.0132	\$ 13,200.00		OTHER CHARGES kWh	1,000,000	0.0132	\$ 13,200.00			
COST OF POWER kWh	1,000,000	0.0550	\$ 55,000.00		COST OF POWER kWh	1,000,000	0.0550	\$ 55,000.00			
CURRENT 2003 BILL				\$ 80,841.40	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION  
4,000kW, 1,800,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -			
kW	4000	0.0000	\$ -		kW	4000	#DIV/0!	#DIV/0!			
OTHER CHARGES kW	4000	4.2138	\$ 16,855.20		OTHER CHARGES kW	4000	4.2138	\$ 16,855.20			
OTHER CHARGES kWh	1,800,000	0.0132	\$ 23,760.00		OTHER CHARGES kWh	1,800,000	0.0132	\$ 23,760.00			
COST OF POWER kWh	1,800,000	0.0550	\$ 99,000.00		COST OF POWER kWh	1,800,000	0.0550	\$ 99,000.00			
CURRENT 2003 BILL				\$ 139,615.20	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**Interval Metered**

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of \$4.2138/kW, Wholesale Market Service Rate of \$0.0062 and Debt Reduction Charge of \$0.007 for a total of \$0.0132/kWh. These charges may differ slightly for your utility.

Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates if Consumption has not been adjusted for line losses.

**CURRENT 2003 BILL**

**2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

**ENTER DESIRED CONSUMPTION LEVEL**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$0.00		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kW	60	0.0000	\$ -		DISTRIBUTION kW	60	#DIV/0!	#DIV/0!	
OTHER CHARGES kW	60	4.2138	\$ 252.83		OTHER CHARGES kW	60	4.2138	\$ 252.83	
OTHER CHARGES kWh	15,000	0.0132	\$ 198.00		OTHER CHARGES kWh	15,000	0.0132	\$ 198.00	
COST OF POWER kWh	15,000	0.0550	\$ 825.00		COST OF POWER kWh	15,000	0.0550	\$ 825.00	
CURRENT 2003 BILL			\$ 1,275.83		Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION  
100kW, 40,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kW	100	0.0000	\$ -		DISTRIBUTION kW	100	#DIV/0!	#DIV/0!	
OTHER CHARGES kW	100	4.2138	\$ 421.38		OTHER CHARGES kW	100	4.2138	\$ 421.38	
OTHER CHARGES kWh	40,000	0.0132	\$ 528.00		OTHER CHARGES kWh	40,000	0.0132	\$ 528.00	
COST OF POWER kWh	40,000	0.0550	\$ 2,200.00		COST OF POWER kWh	40,000	0.0550	\$ 2,200.00	
CURRENT 2003 BILL			\$ 3,149.38		Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION  
500kW, 100,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kW	500	0.0000	\$ -		DISTRIBUTION kW	500	#DIV/0!	#DIV/0!	
OTHER CHARGES kW	500	4.2138	\$ 2,106.90		OTHER CHARGES kW	500	4.2138	\$ 2,106.90	
OTHER CHARGES kWh	100,000	0.0132	\$ 1,320.00		OTHER CHARGES kWh	100,000	0.0132	\$ 1,320.00	
COST OF POWER kWh	100,000	0.0550	\$ 5,500.00		COST OF POWER kWh	100,000	0.0550	\$ 5,500.00	
CURRENT 2003 BILL			\$ 8,926.90		Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION  
1000kW, 400,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kW	1000	0.0000	\$ -		DISTRIBUTION kW	1000	#DIV/0!	#DIV/0!	
OTHER CHARGES kW	1000	4.2138	\$ 4,213.80		OTHER CHARGES kW	1000	4.2138	\$ 4,213.80	
OTHER CHARGES kWh	400,000	0.0132	\$ 5,280.00		OTHER CHARGES kWh	400,000	0.0132	\$ 5,280.00	
COST OF POWER kWh	400,000	0.0550	\$ 22,000.00		COST OF POWER kWh	400,000	0.0550	\$ 22,000.00	
CURRENT 2003 BILL			\$ 31,493.80		Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION  
3,000kW, 1,000,000kWh**

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kW	3000	0.0000	\$ -		DISTRIBUTION kW	3000	#DIV/0!	#DIV/0!	

OTHER CHARGES kW	3000	4.2138	\$	12,641.40	OTHER CHARGES kW	3000	4.2138	\$	12,641.40		
OTHER CHARGES kWh	1,000,000	0.0132	\$	13,200.00	OTHER CHARGES kWh	1,000,000	0.0132	\$	13,200.00		
COST OF POWER kWh	1,000,000	0.0550	\$	55,000.00	COST OF POWER kWh	1,000,000	0.0550	\$	55,000.00		
CURRENT 2003 BILL				\$ 80,841.40	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION  
4,000kW, 1,800,000kWh

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -			
kW	4000	0.0000	\$ -		kW	4000	#DIV/0!	#DIV/0!			
OTHER CHARGES kW	4000	4.2138	\$ 16,855.20		OTHER CHARGES kW	4000	4.2138	\$ 16,855.20			
OTHER CHARGES kWh	1,800,000	0.0132	\$ 23,760.00		OTHER CHARGES kWh	1,800,000	0.0132	\$ 23,760.00			
COST OF POWER kWh	1,800,000	0.0550	\$ 99,000.00		COST OF POWER kWh	1,800,000	0.0550	\$ 99,000.00			
CURRENT 2003 BILL				\$ 139,615.20	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**GENERAL SERVICE INTERMEDIATE CLASS**

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of \$4.2138/kW, Wholesale Market Service Rate of \$0.0062 and Debt Reduction Charge of \$0.007 for a total of \$0.0132/kWh. These charges may differ slightly for your utility.  
 Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates if Consumption has not been adjusted for line losses.

**CURRENT 2003 BILL** | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 43.52		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 43.52			
kW	3000	0.4237	\$ 1,271.10		kW	3000	0.2074	\$ 622.30			
OTHER CHARGES kW	3000	4.2138	\$ 12,641.40		OTHER CHARGES kW	3000	4.2138	\$ 12,641.40			
OTHER CHARGES kWh	800,000	0.0132	\$ 10,560.00		OTHER CHARGES kWh	800,000	0.0132	\$ 10,560.00			
COST OF POWER kWh	800,000	0.0550	\$ 44,000.00		COST OF POWER kWh	800,000	0.0550	\$ 44,000.00			
CURRENT 2003 BILL				\$ 68,516.02	Adjusted 2004 BILL				\$ 67,867.22	\$ (648.80)	-0.9%

MONTHLY CONSUMPTION  
3000kW, 1,000,000kWh

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 43.52		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 43.52			
kW	3000	0.4237	\$ 1,271.10		kW	3000	0.2074	\$ 622.30			
OTHER CHARGES kW	3000	4.2138	\$ 12,641.40		OTHER CHARGES kW	3000	4.2138	\$ 12,641.40			
OTHER CHARGES kWh	1,000,000	0.0132	\$ 13,200.00		OTHER CHARGES kWh	1,000,000	0.0132	\$ 13,200.00			
COST OF POWER kWh	1,000,000	0.0550	\$ 55,000.00		COST OF POWER kWh	1,000,000	0.0550	\$ 55,000.00			
CURRENT 2003 BILL				\$ 82,156.02	Adjusted 2004 BILL				\$ 81,507.22	\$ (648.80)	-0.8%

MONTHLY CONSUMPTION  
4000kW, 1,200,000kWh

	kW/kWh (enter)	RATE \$kW/kWh	CHARGE \$		kW/kWh	RATE \$kW/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 43.52		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 43.52			
kW	4000	0.4237	\$ 1,694.80		kW	4000	0.2074	\$ 829.74			
OTHER CHARGES kW	4000	4.2138	\$ 16,855.20		OTHER CHARGES kW	4000	4.2138	\$ 16,855.20			
OTHER CHARGES kWh	1,200,000	0.0132	\$ 15,840.00		OTHER CHARGES kWh	1,200,000	0.0132	\$ 15,840.00			
COST OF POWER kWh	1,200,000	0.0550	\$ 66,000.00		COST OF POWER kWh	1,200,000	0.0550	\$ 66,000.00			
CURRENT 2003 BILL				\$ 100,433.52	Adjusted 2004 BILL				\$ 99,568.46	\$ (865.06)	-0.9%

MONTHLY CONSUMPTION		kW/kWh	RATE	CHARGE		kW/kWh	RATE	CHARGE	IMPACT	IMPACT
4000kW, 1,800,000kWh		(enter)	\$kW/kWh	\$			\$kW/kWh	\$	DOLLARS	%
MONTHLY SERVICE CHARGE	n/a	n/a		\$ 43.52	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 43.52		
DISTRIBUTION kW	4000	0.4237	\$	1,694.80	DISTRIBUTION kW	4000	0.2074	\$ 829.74		
OTHER CHARGES kW	4000	4.2138	\$	16,855.20	OTHER CHARGES kW	4000	4.2138	\$ 16,855.20		
OTHER CHARGES kWh	#####	0.0132	\$	23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	\$ 23,760.00		
COST OF POWER kWh	#####	0.0550	\$	99,000.00	COST OF POWER kWh	1,800,000	0.0550	\$ 99,000.00		
CURRENT 2003 BILL				\$ 141,353.52	Adjusted 2004 BILL			\$ 140,488.46	\$ (865.06)	-0.6%

**LARGE USE CLASS**

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of \$4.7369/kW, Wholesale Market Service Rate of \$0.0062 and Debt Reduction Charge of \$0.007 for a total of \$0.0132/kWh. These charges may differ slightly for your utility. Cost of Power is estimated to be 5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for Consumption has not been adjusted for line losses.

**CURRENT 2003 BILL** | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

**ENTER DESIRED CONSUMPTION LEVEL**

MONTHLY CONSUMPTION		kW/kWh	RATE	CHARGE		kW/kWh	RATE	CHARGE	IMPACT	IMPACT
6000kW, 2,800,000 kWh		(enter)	\$kW/kWh	\$			\$kW/kWh	\$	DOLLARS	%
MONTHLY SERVICE CHARGE	n/a	n/a		\$0.00	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kW	6000	0.0000	\$	-	DISTRIBUTION kW	6000	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	6000	4.7369	\$	28,421.40	OTHER CHARGES kW	6000	4.7369	\$ 28,421.40		
OTHER CHARGES kWh	2,800,000	0.0132	\$	36,960.00	OTHER CHARGES kWh	2,800,000	0.0132	\$ 36,960.00		
COST OF POWER kWh	2,800,000	0.0500	\$	140,000.00	COST OF POWER kWh	2,800,000	0.0500	\$ 140,000.00		
CURRENT 2003 BILL				\$ 205,381.40	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION		kW/kWh	RATE	CHARGE		kW/kWh	RATE	CHARGE	IMPACT	IMPACT
15000kW, 10,000,000kWh		(enter)	\$kW/kWh	\$			\$kW/kWh	\$	DOLLARS	%
MONTHLY SERVICE CHARGE	n/a	n/a		\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kW	15000	0.0000	\$	-	DISTRIBUTION kW	15000	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	15000	4.7369	\$	71,053.50	OTHER CHARGES kW	15000	4.7369	\$ 71,053.50		
OTHER CHARGES kWh	#####	0.0132	\$	132,000.00	OTHER CHARGES kWh	10,000,000	0.0132	\$ 132,000.00		
COST OF POWER kWh	#####	0.0500	\$	500,000.00	COST OF POWER kWh	#####	0.0500	\$ 500,000.00		
CURRENT 2003 BILL				\$ 703,053.50	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**Unmetered Scattered Loads**

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of \$0.0107, Wholesale Market Service Rate of \$0.0062 and Debt Reduction Charge of \$0.007 for a total of \$0.0239/kWh. These charges may differ slightly for your utility. In addition, consumption has not been adjusted for line losses.

**CURRENT 2003 BILL** | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

**ENTER DESIRED CONSUMPTION LEVEL**

MONTHLY CONSUMPTION		kWh	RATE	CHARGE		kWh	RATE	CHARGE	IMPACT	IMPACT
100 kWh		(enter)	\$/kWh	\$			\$/kWh	\$	DOLLARS	%
MONTHLY SERVICE CHARGE	n/a	n/a		\$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79		
DISTRIBUTION kWh	100	0.0066	\$	0.66	DISTRIBUTION kWh	100	0.0062	\$ 0.62		
OTHER CHARGES kWh	100	0.0239	\$	2.39	OTHER CHARGES kWh	100	0.0239	\$ 2.39		
COST OF POWER kWh	100	0.0430	\$	4.30	COST OF POWER kWh	100	0.0430	\$ 4.30		
CURRENT 2003 BILL				\$ 11.14	Adjusted 2004 BILL			\$ 11.10	\$ (0.04)	-0.3%

**MONTHLY CONSUMPTION OF  
250 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 3.79		n/a	n/a	\$ 3.79		
OTHER kWh	250	0.0066	\$ 1.65		250	0.0062	\$ 1.56		
CHARGES kWh	250	0.0239	\$ 5.98		250	0.0239	\$ 5.98		
COST OF POWER kWh	250	0.0430	\$ 10.75		250	0.0430	\$ 10.75		
CURRENT 2003 BILL			\$ 22.17	Adjusted 2004 BILL			\$ 22.07	\$ (0.09)	-0.4%

**MONTHLY CONSUMPTION OF  
500 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 3.79		n/a	n/a	\$ 3.79		
OTHER kWh	500	0.0066	\$ 3.30		500	0.0062	\$ 3.11		
CHARGES kWh	500	0.0239	\$ 11.95		500	0.0239	\$ 11.95		
COST OF POWER kWh	500	0.0430	\$ 21.50		500	0.0430	\$ 21.50		
CURRENT 2003 BILL			\$ 40.54	Adjusted 2004 BILL			\$ 40.35	\$ (0.19)	-0.5%

**MONTHLY CONSUMPTION OF  
750 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 3.79		n/a	n/a	\$ 3.79		
OTHER kWh	750	0.0066	\$ 4.95		750	0.0062	\$ 4.67		
CHARGES kWh	750	0.0239	\$ 17.93		750	0.0239	\$ 17.93		
COST OF POWER kWh	750	0.0430	\$ 32.25		750	0.0430	\$ 32.25		
CURRENT 2003 BILL			\$ 58.92	Adjusted 2004 BILL			\$ 58.63	\$ (0.28)	-0.5%

**MONTHLY CONSUMPTION OF  
1000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 3.79		n/a	n/a	\$ 3.79		
OTHER kWh	1000	0.0066	\$ 6.60		1000	0.0062	\$ 6.22		
CHARGES kWh	1000	0.0239	\$ 23.90		1000	0.0239	\$ 23.90		
COST OF POWER kWh	1000	0.0430	\$ 43.00		1000	0.0430	\$ 43.00		
CURRENT 2003 BILL			\$ 77.29	Adjusted 2004 BILL			\$ 76.91	\$ (0.38)	-0.5%

**MONTHLY CONSUMPTION OF  
1500 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 3.79		n/a	n/a	\$ 3.79		
OTHER kWh	1500	0.0066	\$ 9.90		1500	0.0062	\$ 9.34		
CHARGES kWh	1500	0.0239	\$ 35.85		1500	0.0239	\$ 35.85		
COST OF POWER kWh	1500	0.0430	\$ 64.50		1500	0.0430	\$ 64.50		
CURRENT 2003 BILL			\$ 114.04	Adjusted 2004 BILL			\$ 113.48	\$ (0.56)	-0.5%

**MONTHLY CONSUMPTION OF  
2000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ 3.79		n/a	n/a	\$ 3.79		
OTHER kWh	2000	0.0066	\$ 13.20		2000	0.0062	\$ 12.45		
CHARGES kWh	2000	0.0239	\$ 47.80		2000	0.0239	\$ 47.80		
COST OF POWER kWh	2000	0.0430	\$ 86.00		2000	0.0430	\$ 86.00		
CURRENT 2003 BILL			\$ 150.79	Adjusted 2004 BILL			\$ 150.04	\$ (0.75)	-0.5%



**RESIDENTIAL - Suburban**

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of \$0.0107, Wholesale Market Service Rate of \$0.0062 and Debt Reduction Charge of \$0.007 for a total of \$0.0239/kWh. These charges may differ slightly for your utility. In addition, consumption has not been adjusted for line losses.

**CURRENT 2003 BILL** | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kWh	100	0.0000	\$ -		DISTRIBUTION kWh	100	#DIV/0!	#DIV/0!	
OTHER CHARGES kWh	100	0.0239	\$ 2.39		OTHER CHARGES kWh	100	0.0239	\$ 2.39	
COST OF POWER kWh	100	0.0430	\$ 4.30		COST OF POWER kWh	100	0.0430	\$ 4.30	
CURRENT 2003 BILL			\$ 6.69		Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 250 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kWh	250	0.0000	\$ -		DISTRIBUTION kWh	250	#DIV/0!	#DIV/0!	
OTHER CHARGES kWh	250	0.0239	\$ 5.98		OTHER CHARGES kWh	250	0.0239	\$ 5.98	
COST OF POWER kWh	250	0.0430	\$ 10.75		COST OF POWER kWh	250	0.0430	\$ 10.75	
CURRENT 2003 BILL			\$ 16.73		Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 500 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kWh	500	0.0000	\$ -		DISTRIBUTION kWh	500	#DIV/0!	#DIV/0!	
OTHER CHARGES kWh	500	0.0239	\$ 11.95		OTHER CHARGES kWh	500	0.0239	\$ 11.95	
COST OF POWER kWh	500	0.0430	\$ 21.50		COST OF POWER kWh	500	0.0430	\$ 21.50	
CURRENT 2003 BILL			\$ 33.45		Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 750 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kWh	750	0.0000	\$ -		DISTRIBUTION kWh	750	#DIV/0!	#DIV/0!	
OTHER CHARGES kWh	750	0.0239	\$ 17.93		OTHER CHARGES kWh	750	0.0239	\$ 17.93	
COST OF POWER kWh	750	0.0430	\$ 32.25		COST OF POWER kWh	750	0.0430	\$ 32.25	
CURRENT 2003 BILL			\$ 50.18		Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 1000 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kWh	1000	0.0000	\$ -		DISTRIBUTION kWh	1000	#DIV/0!	#DIV/0!	
OTHER CHARGES kWh	1000	0.0239	\$ 23.90		OTHER CHARGES kWh	1000	0.02390	\$ 23.90	
COST OF POWER kWh	1000	0.0430	\$ 43.00		COST OF POWER kWh	1000	0.0430	\$ 43.00	
CURRENT 2003 BILL			\$ 66.90		Adjusted 2004 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF 1500 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	

DISTRIBUTION kWh	1500	0.0000	\$	-	DISTRIBUTION kWh	1500	#DIV/0!	#DIV/0!			
OTHER CHARGES kWh	1500	0.0239	\$	35.85	OTHER CHARGES kWh	1500	0.0239	\$	35.85		
COST OF POWER kWh	1500	0.0430	\$	64.50	COST OF POWER kWh	1500	0.0430	\$	64.50		
CURRENT 2003 BILL				\$ 100.35	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 2000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -			
DISTRIBUTION kWh	2000	0.0000	\$ -		DISTRIBUTION kWh	2000	#DIV/0!	#DIV/0!			
OTHER CHARGES kWh	2000	0.0239	\$ 47.80		OTHER CHARGES kWh	2000	0.0239	\$ 47.80			
COST OF POWER kWh	2000	0.0430	\$ 86.00		COST OF POWER kWh	2000	0.0430	\$ 86.00			
CURRENT 2003 BILL				\$ 133.80	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**GENERAL SERVICE < 50 KW - Suburban**

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

**ENTER DESIRED CONSUMPTION LEVEL**      **CURRENT 2003 BILL**      **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

1000 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 0.00		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -			
DISTRIBUTION kWh	1000	0.0000	\$ -		DISTRIBUTION kWh	1000	#DIV/0!	#DIV/0!			
OTHER CHARGES kWh	1000	0.0229	\$ 22.90		OTHER CHARGES kWh	1000	0.0229	\$ 22.90			
COST OF POWER kWh	1000	0.0430	\$ 43.00		COST OF POWER kWh	1000	0.0430	\$ 43.00			
CURRENT 2003 BILL				\$ 65.90	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION 2000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -			
DISTRIBUTION kWh	2000	0.0000	\$ -		DISTRIBUTION kWh	2000	#DIV/0!	#DIV/0!			
OTHER CHARGES kWh	2000	0.0229	\$ 45.80		OTHER CHARGES kWh	2000	0.0229	\$ 45.80			
COST OF POWER kWh	2000	0.0430	\$ 86.00		COST OF POWER kWh	2000	0.0430	\$ 86.00			
CURRENT 2003 BILL				\$ 131.80	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION 5000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -			
DISTRIBUTION kWh	5000	0.0000	\$ -		DISTRIBUTION kWh	5000	#DIV/0!	#DIV/0!			
OTHER CHARGES kWh	5000	0.0229	\$ 114.50		OTHER CHARGES kWh	5000	0.0229	\$ 114.50			
COST OF POWER kWh	5000	0.0430	\$ 215.00		COST OF POWER kWh	5000	0.0430	\$ 215.00			
CURRENT 2003 BILL				\$ 329.50	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION 10,000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kWh	10000	0.0000	\$ -		DISTRIBUTION kWh	10000	#DIV/0!	#DIV/0!	
OTHER CHARGES kWh	10000	0.0229	\$ 229.00		OTHER CHARGES kWh	10000	0.0229	\$ 229.00	
COST OF POWER kWh	10000	0.0430	\$ 430.00		COST OF POWER kWh	10000	0.0430	\$ 430.00	

<b>MONTHLY CONSUMPTION</b> 15,000 KWh	CURRENT 2003 BILL				\$ 659.00	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!
		<b>kWh</b>	<b>RATE</b>	<b>CHARGE</b>		<b>kWh</b>	<b>RATE</b>	<b>CHARGE</b>	<b>IMPACT</b>	<b>IMPACT</b>		
		<b>(enter)</b>	<b>\$/kWh</b>	<b>\$</b>			<b>\$/kWh</b>	<b>\$</b>	<b>DOLLARS</b>	<b>%</b>		
	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -				
	DISTRIBUTION kWh	15000	0.0000	\$ -	DISTRIBUTION kWh	15000	#DIV/0!	#DIV/0!				
	OTHER CHARGES kWh	15000	0.0229	\$ 343.50	OTHER CHARGES kWh	15000	0.0229	\$ 343.50				
	COST OF POWER kWh	15000	0.0430	\$ 645.00	COST OF POWER kWh	15000	0.0430	\$ 645.00				
	CURRENT 2003 BILL				\$ 988.50	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

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

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of \$3.91/kW, Wholesale Market Service Rate of \$0.0062 and Debt Reduction Charge of \$0.007 for a total of \$0.0132/kWh. These charges may differ slightly for your utility. Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates if Consumption has not been adjusted for line losses.

**ENTER DESIRED CONSUMPTION LEVEL**      **CURRENT 2003 BILL**      **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

	<b>kW/kWh</b>	<b>RATE</b>	<b>CHARGE</b>		<b>kW/kWh</b>	<b>RATE</b>	<b>CHARGE</b>	<b>IMPACT</b>	<b>IMPACT</b>		
	<b>(enter)</b>	<b>\$/kW/kWh</b>	<b>\$</b>			<b>\$/kW/kWh</b>	<b>\$</b>	<b>DOLLARS</b>	<b>%</b>		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 0.00	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -				
DISTRIBUTION kW	60	0.0000	\$ -	DISTRIBUTION kW	60	#DIV/0!	#DIV/0!				
OTHER CHARGES kW	60	3.9100	\$ 234.60	OTHER CHARGES kW	60	3.9100	\$ 234.60				
OTHER CHARGES kWh	15,000	0.0132	\$ 198.00	OTHER CHARGES kWh	15,000	0.0132	\$ 198.00				
COST OF POWER kWh	15,000	0.0550	\$ 825.00	COST OF POWER kWh	15,000	0.0550	\$ 825.00				
CURRENT 2003 BILL				\$ 1,257.60	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

<b>MONTHLY CONSUMPTION</b> 100kW, 40,000kWh	<b>kW/kWh</b>	<b>RATE</b>	<b>CHARGE</b>		<b>kW/kWh</b>	<b>RATE</b>	<b>CHARGE</b>	<b>IMPACT</b>	<b>IMPACT</b>			
	<b>(enter)</b>	<b>\$/kW/kWh</b>	<b>\$</b>			<b>\$/kW/kWh</b>	<b>\$</b>	<b>DOLLARS</b>	<b>%</b>			
	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -				
	DISTRIBUTION kW	100	0.0000	\$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!				
	OTHER CHARGES kW	100	3.9100	\$ 391.00	OTHER CHARGES kW	100	3.9100	\$ 391.00				
	OTHER CHARGES kWh	40,000	0.0132	\$ 528.00	OTHER CHARGES kWh	40,000	0.0132	\$ 528.00				
	COST OF POWER kWh	40,000	0.0550	\$ 2,200.00	COST OF POWER kWh	40,000	0.0550	\$ 2,200.00				
	CURRENT 2003 BILL				\$ 3,119.00	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

<b>MONTHLY CONSUMPTION</b> 500kW, 100,000kWh	<b>kW/kWh</b>	<b>RATE</b>	<b>CHARGE</b>		<b>kW/kWh</b>	<b>RATE</b>	<b>CHARGE</b>	<b>IMPACT</b>	<b>IMPACT</b>			
	<b>(enter)</b>	<b>\$/kW/kWh</b>	<b>\$</b>			<b>\$/kW/kWh</b>	<b>\$</b>	<b>DOLLARS</b>	<b>%</b>			
	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -				
	DISTRIBUTION kW	500	0.0000	\$ -	DISTRIBUTION kW	500	#DIV/0!	#DIV/0!				
	OTHER CHARGES kW	500	3.9100	\$ 1,955.00	OTHER CHARGES kW	500	3.9100	\$ 1,955.00				
	OTHER CHARGES kWh	100,000	0.0132	\$ 1,320.00	OTHER CHARGES kWh	100,000	0.0132	\$ 1,320.00				
	COST OF POWER kWh	100,000	0.0550	\$ 5,500.00	COST OF POWER kWh	100,000	0.0550	\$ 5,500.00				
	CURRENT 2003 BILL				\$ 8,775.00	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

<b>MONTHLY CONSUMPTION</b> 1000kW, 400,000kWh	<b>kW/kWh</b>	<b>RATE</b>	<b>CHARGE</b>		<b>kW/kWh</b>	<b>RATE</b>	<b>CHARGE</b>	<b>IMPACT</b>	<b>IMPACT</b>		
	<b>(enter)</b>	<b>\$/kW/kWh</b>	<b>\$</b>			<b>\$/kW/kWh</b>	<b>\$</b>	<b>DOLLARS</b>	<b>%</b>		
	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -			
	DISTRIBUTION kW	1000	0.0000	\$ -	DISTRIBUTION kW	1000	#DIV/0!	#DIV/0!			
	OTHER CHARGES kW	1000	3.9100	\$ 3,910.00	OTHER CHARGES kW	1000	3.9100	\$ 3,910.00			



OTHER CHARGES kWh	400,000	0.0132	\$	5,280.00	OTHER CHARGES kWh	400,000	0.0132	\$	5,280.00		
COST OF POWER kWh	400,000	0.0550	\$	22,000.00	COST OF POWER kWh	400,000	0.0550	\$	22,000.00		
CURRENT 2003 BILL				\$ 31,190.00	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION**  
3,000kW, 1,000,000kWh

	kW/kWh (enter)	RATE \$/kWh	CHARGE \$		kW/kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -			
kw	3000	0.0000	\$ -		kw	3000	#DIV/0!	#DIV/0!			
OTHER CHARGES kW	3000	3.9100	\$ 11,730.00		OTHER CHARGES kW	3000	3.9100	\$ 11,730.00			
OTHER CHARGES kWh	1,000,000	0.0132	\$ 13,200.00		OTHER CHARGES kWh	1,000,000	0.0132	\$ 13,200.00			
COST OF POWER kWh	1,000,000	0.0550	\$ 55,000.00		COST OF POWER kWh	1,000,000	0.0550	\$ 55,000.00			
CURRENT 2003 BILL				\$ 79,930.00	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION**  
4,000kW, 1,800,000kWh

	kW/kWh (enter)	RATE \$/kWh	CHARGE \$		kW/kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -			
kw	4000	0.0000	\$ -		kw	4000	#DIV/0!	#DIV/0!			
OTHER CHARGES kW	4000	3.9100	\$ 15,640.00		OTHER CHARGES kW	4000	3.9100	\$ 15,640.00			
OTHER CHARGES kWh	1,800,000	0.0132	\$ 23,760.00		OTHER CHARGES kWh	1,800,000	0.0132	\$ 23,760.00			
COST OF POWER kWh	1,800,000	0.0550	\$ 99,000.00		COST OF POWER kWh	1,800,000	0.0550	\$ 99,000.00			
CURRENT 2003 BILL				\$ 138,400.00	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**RESIDENTIAL - Suburban Seasonal**

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of \$0.0107, Wholesale Market Service Rate of \$0.0062 and Debt Reduction Charge of \$0.007 for a total of \$0.0239/kWh. These charges may differ slightly for your utility. In addition, consumption has not been adjusted for line losses.

**CURRENT 2003 BILL** | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

**ENTER DESIRED CONSUMPTION LEVEL**  
100 kWh

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -			
kWh	100	0.0000	\$ -		kWh	100	#DIV/0!	#DIV/0!			
OTHER CHARGES kWh	100	0.0239	\$ 2.39		OTHER CHARGES kWh	100	0.0239	\$ 2.39			
COST OF POWER kWh	100	0.0430	\$ 4.30		COST OF POWER kWh	100	0.0430	\$ 4.30			
CURRENT 2003 BILL				\$ 6.69	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF**  
250 kWh

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -			
kWh	250	0.0000	\$ -		kWh	250	#DIV/0!	#DIV/0!			
OTHER CHARGES kWh	250	0.0239	\$ 5.98		OTHER CHARGES kWh	250	0.0239	\$ 5.98			
COST OF POWER kWh	250	0.0430	\$ 10.75		COST OF POWER kWh	250	0.0430	\$ 10.75			
CURRENT 2003 BILL				\$ 16.73	Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF**  
500 kWh

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -	
kWh	500	0.0000	\$ -		kWh	500	#DIV/0!	#DIV/0!	
OTHER CHARGES kWh	500	0.0239	\$ 11.95		OTHER CHARGES kWh	500	0.0239	\$ 11.95	

	COST OF POWER				COST OF POWER					
	kWh			\$	kWh			\$		
	500		0.0430	21.50	500		0.0430	21.50		
<b>MONTHLY CONSUMPTION OF 750 kWh</b>										
CURRENT 2003 BILL				\$ 33.45	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!
	<b>kWh</b>	<b>RATE</b>	<b>CHARGE</b>		<b>kWh</b>	<b>RATE</b>	<b>CHARGE</b>	<b>IMPACT</b>	<b>IMPACT</b>	
	<b>(enter)</b>	<b>\$/kWh</b>	<b>\$</b>		<b>\$/kWh</b>	<b>\$</b>	<b>DOLLARS</b>	<b>%</b>		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	750	0.0000	\$ -		DISTRIBUTION kWh	750	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	750	0.0239	\$ 17.93		OTHER CHARGES kWh	750	0.0239	\$ 17.93		
COST OF POWER kWh	750	0.0430	\$ 32.25		COST OF POWER kWh	750	0.0430	\$ 32.25		
CURRENT 2003 BILL				\$ 50.18	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!
<b>MONTHLY CONSUMPTION OF 1000 kWh</b>										
	<b>kWh</b>	<b>RATE</b>	<b>CHARGE</b>		<b>kWh</b>	<b>RATE</b>	<b>CHARGE</b>	<b>IMPACT</b>	<b>IMPACT</b>	
	<b>(enter)</b>	<b>\$/kWh</b>	<b>\$</b>		<b>\$/kWh</b>	<b>\$</b>	<b>DOLLARS</b>	<b>%</b>		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	1000	0.0000	\$ -		DISTRIBUTION kWh	1000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	1000	0.0239	\$ 23.90		OTHER CHARGES kWh	1000	0.02390	\$ 23.90		
COST OF POWER kWh	1000	0.0430	\$ 43.00		COST OF POWER kWh	1000	0.0430	\$ 43.00		
CURRENT 2003 BILL				\$ 66.90	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!
<b>MONTHLY CONSUMPTION OF 1500 kWh</b>										
	<b>kWh</b>	<b>RATE</b>	<b>CHARGE</b>		<b>kWh</b>	<b>RATE</b>	<b>CHARGE</b>	<b>IMPACT</b>	<b>IMPACT</b>	
	<b>(enter)</b>	<b>\$/kWh</b>	<b>\$</b>		<b>\$/kWh</b>	<b>\$</b>	<b>DOLLARS</b>	<b>%</b>		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	1500	0.0000	\$ -		DISTRIBUTION kWh	1500	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	1500	0.0239	\$ 35.85		OTHER CHARGES kWh	1500	0.0239	\$ 35.85		
COST OF POWER kWh	1500	0.0430	\$ 64.50		COST OF POWER kWh	1500	0.0430	\$ 64.50		
CURRENT 2003 BILL				\$ 100.35	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!
<b>MONTHLY CONSUMPTION OF 2000 kWh</b>										
	<b>kWh</b>	<b>RATE</b>	<b>CHARGE</b>		<b>kWh</b>	<b>RATE</b>	<b>CHARGE</b>	<b>IMPACT</b>	<b>IMPACT</b>	
	<b>(enter)</b>	<b>\$/kWh</b>	<b>\$</b>		<b>\$/kWh</b>	<b>\$</b>	<b>DOLLARS</b>	<b>%</b>		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	2000	0.0000	\$ -		DISTRIBUTION kWh	2000	#DIV/0!	#DIV/0!		
OTHER CHARGES kWh	2000	0.0239	\$ 47.80		OTHER CHARGES kWh	2000	0.0239	\$ 47.80		
COST OF POWER kWh	2000	0.0430	\$ 86.00		COST OF POWER kWh	2000	0.0430	\$ 86.00		
CURRENT 2003 BILL				\$ 133.80	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!





for your utility.

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

(commodity price increase on April 1, 2004)

<b>NAME OF UTILITY</b>	HEARST POWER DISTRIBUTION COMPANIES	<b>LICENCE NUMBER</b>	ED-1999-0292
<b>NAME OF CONTACT</b>	NICOLE C. LEDUC	<b>PHONE NUMBER</b>	(705) 372-2815
<b>E- Mail Address</b>	nleduc@ntl.sympatico.ca		
<b>VERSION NUMBER</b>	Revised for Regulatory assets		
<b>Date</b>	08-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 (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
100 kWh									
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 5.75		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 5.75	
DISTRIBUTION kWh	100	0.0065	\$ 0.65		DISTRIBUTION kWh	100	0.0062	\$ 0.62	
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			\$ 13.09		Adjusted 2004 BILL		\$ 13.46	\$ 0.37	2.8%

MONTHLY CONSUMPTION OF 250 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 5.75		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 5.75	
DISTRIBUTION kWh	250	0.0065	\$ 1.63		DISTRIBUTION kWh	250	0.0062	\$ 1.55	
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			\$ 24.10		Adjusted 2004 BILL		\$ 25.03	\$ 0.93	3.9%

MONTHLY CONSUMPTION OF 500 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 5.75		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 5.75	
DISTRIBUTION kWh	500	0.0065	\$ 3.25		DISTRIBUTION kWh	500	0.0062	\$ 3.11	
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			\$ 42.45		Adjusted 2004 BILL		\$ 44.31	\$ 1.86	4.4%

MONTHLY CONSUMPTION OF 750 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 5.75		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 5.75	
DISTRIBUTION kWh	750	0.0065	\$ 4.88		DISTRIBUTION kWh	750	0.0062	\$ 4.66	
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			\$ 60.80		Adjusted 2004 BILL		\$ 63.58	\$ 2.78	4.6%

MONTHLY CONSUMPTION OF 1000 kWh	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 5.75		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 5.75	
DISTRIBUTION kWh	1000	0.0065	\$ 6.50		DISTRIBUTION kWh	1000	0.0062	\$ 6.20	
OTHER CHARGES kWh	1000	0.0239	\$ 23.90		OTHER CHARGES kWh	1000	0.0239	\$ 23.90	
COST OF POWER kWh	1000	0.0430	\$ 43.00		COST OF POWER kWh	1000	0.0470	\$ 47.00	
CURRENT 2003 BILL			\$ 77.15		Adjusted 2004 BILL		\$ 80.10	\$ 2.95	3.8%

MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75	
DISTRIBUTION kWh	1000	0.0065	\$	6.50	DISTRIBUTION kWh	1000	0.0062	\$	6.21	
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				\$ 79.15	Adjusted 2004 BILL				\$ 84.86	\$ 5.71 7.2%

**MONTHLY CONSUMPTION OF 1500 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75	
DISTRIBUTION kWh	1500	0.0065	\$	9.75	DISTRIBUTION kWh	1500	0.0062	\$	9.32	
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				\$ 115.85	Adjusted 2004 BILL				\$ 127.42	\$ 11.57 10.0%

**MONTHLY CONSUMPTION OF 2000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75	MONTHLY SERVICE CHARGE	n/a	n/a	\$	5.75	
DISTRIBUTION kWh	2000	0.0065	\$	13.00	DISTRIBUTION kWh	2000	0.0062	\$	12.42	
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				\$ 152.55	Adjusted 2004 BILL				\$ 169.97	\$ 17.42 11.4%

**GENERAL SERVICE < 50 KW**

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

MONTHLY CONSUMPTION OF	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)					
	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
1000 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	
DISTRIBUTION kWh	1000	0.0066	\$	6.60	DISTRIBUTION kWh	1000	0.00622	\$	6.22	
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				\$ 76.29	Adjusted 2004 BILL				\$ 81.91	\$ 5.62 7.4%
2000 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	MONTHLY SERVICE CHARGE	n/a	n/a	\$	3.79	
DISTRIBUTION kWh	2000	0.0066	\$	13.20	DISTRIBUTION kWh	2000	0.0062	\$	12.45	
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				\$ 148.79	Adjusted 2004 BILL				\$ 166.04	\$ 17.25 11.6%



**MONTHLY CONSUMPTION OF 5000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79			
DISTRIBUTION kWh	5000	0.0066	\$ 33.00		DISTRIBUTION kWh	5000	0.0062	\$ 31.12			
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				\$ 366.29	Adjusted 2004 BILL				\$ 418.41	\$ 52.12	14.2%

**MONTHLY CONSUMPTION OF 10000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79			
DISTRIBUTION kWh	10000	0.0066	\$ 66.00		DISTRIBUTION kWh	10000	0.0062	\$ 62.23			
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				\$ 728.79	Adjusted 2004 BILL				\$ 839.02	\$ 110.23	15.1%

**MONTHLY CONSUMPTION OF 15000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79			
DISTRIBUTION kWh	15000	0.0066	\$ 99.00		DISTRIBUTION kWh	15000	0.0062	\$ 93.35			
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				\$ 1,091.29	Adjusted 2004 BILL				\$ 1,259.64	\$ 168.35	15.4%

**Unmetered Scattered Loads**

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

**MONTHLY CONSUMPTION OF 1000 kWh**

	CURRENT 2003 BILL			2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)							
	kWh (enter)	RATE \$/kWh	CHARGE \$	kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %			
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79	MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79				
DISTRIBUTION kWh	1000	0.0066	\$ 6.60	DISTRIBUTION kWh	1000	0.00622	\$ 6.22				
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				\$ 76.29	Adjusted 2004 BILL				\$ 81.91	\$ 5.62	7.4%

**MONTHLY CONSUMPTION OF 2000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %		
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79			
DISTRIBUTION kWh	2000	0.0066	\$ 13.20		DISTRIBUTION kWh	2000	0.0062	\$ 12.45			
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				\$ 148.79	Adjusted 2004 BILL				\$ 166.04	\$ 17.25	11.6%

**MONTHLY CONSUMPTION OF 5000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79	
DISTRIBUTION kWh	5000	0.0066	\$ 33.00		DISTRIBUTION kWh	5000	0.0062	\$ 31.12	
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			\$ 366.29	Adjusted 2004 BILL			\$ 418.41	\$ 52.12	14.2%

**MONTHLY CONSUMPTION OF 10000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79	
DISTRIBUTION kWh	10000	0.0066	\$ 66.00		DISTRIBUTION kWh	10000	0.0062	\$ 62.23	
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			\$ 728.79	Adjusted 2004 BILL			\$ 839.02	\$ 110.23	15.1%

**MONTHLY CONSUMPTION OF 15000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79		MONTHLY SERVICE CHARGE	n/a	n/a	\$ 3.79	
DISTRIBUTION kWh	15000	0.0066	\$ 99.00		DISTRIBUTION kWh	15000	0.0062	\$ 93.35	
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			\$ 1,091.29	Adjusted 2004 BILL			\$ 1,259.64	\$ 168.35	15.4%

**RESIDENTIAL CLASS - Suburban**

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 100 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kWh	100	0.0000	\$ -		DISTRIBUTION kWh	100	#DIV/0!	#DIV/0!	
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			\$ 6.69	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 250 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kWh	250	0.0000	\$ -		DISTRIBUTION kWh	250	#DIV/0!	#DIV/0!	
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			\$ 16.73	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 500 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -	
OTHER CHARGES kWh	500	0.0000	\$ -		OTHER CHARGES kWh	500	#DIV/0!	#DIV/0!	
COST OF POWER kWh	500	0.0239	\$ 11.95		COST OF POWER kWh	500	0.0239	\$ 11.95	
	500	0.0430	\$ 21.50			500	0.0470	\$ 23.50	
CURRENT 2003 BILL			\$ 33.45	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 750 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -	
OTHER CHARGES kWh	750	0.0000	\$ -		OTHER CHARGES kWh	750	#DIV/0!	#DIV/0!	
COST OF POWER kWh	750	0.0239	\$ 17.93		COST OF POWER kWh	750	0.0239	\$ 17.93	
	750	0.0430	\$ 32.25			750	0.0470	\$ 35.25	
CURRENT 2003 BILL			\$ 50.18	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 1000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -	
OTHER CHARGES kWh	1000	0.0000	\$ -		OTHER CHARGES kWh	1000	#DIV/0!	#DIV/0!	
COST OF POWER kWh	1000	0.0239	\$ 23.90		COST OF POWER kWh	1000	0.0239	\$ 23.90	
	1000	0.0430	\$ 43.00			750	0.0470	\$ 35.25	
						250	0.0550	\$ 13.75	
CURRENT 2003 BILL			\$ 66.90	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 1500 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -	
OTHER CHARGES kWh	1500	0.0000	\$ -		OTHER CHARGES kWh	1500	#DIV/0!	#DIV/0!	
COST OF POWER kWh	1500	0.0239	\$ 35.85		COST OF POWER kWh	1500	0.0239	\$ 35.85	
	1500	0.0430	\$ 64.50			750	0.0470	\$ 35.25	
						750	0.0550	\$ 41.25	
CURRENT 2003 BILL			\$ 100.35	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 2000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE DISTRIBUTION	n/a	n/a	\$ -	
OTHER CHARGES kWh	2000	0.0000	\$ -		OTHER CHARGES kWh	2000	#DIV/0!	#DIV/0!	
COST OF POWER kWh	2000	0.0239	\$ 47.80		COST OF POWER kWh	2000	0.0239	\$ 47.80	
	2000	0.0430	\$ 86.00			750	0.0470	\$ 35.25	
						1250	0.0550	\$ 68.75	
CURRENT 2003 BILL			\$ 133.80	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**GENERAL SERVICE < 50 KW - Suburban**

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

**MONTHLY CONSUMPTION OF 1000 kWh**

CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)				
kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %

MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	1000	0.0000	\$ -	DISTRIBUTION kWh	1000	#DIV/0!	#DIV/0!		
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			\$ 65.90	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 2000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	2000	0.0000	\$ -	DISTRIBUTION kWh	2000	#DIV/0!	#DIV/0!		
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			\$ 131.80	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 5000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	5000	0.0000	\$ -	DISTRIBUTION kWh	5000	#DIV/0!	#DIV/0!		
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			\$ 329.50	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 10000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	10000	0.0000	\$ -	DISTRIBUTION kWh	10000	#DIV/0!	#DIV/0!		
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			\$ 659.00	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**MONTHLY CONSUMPTION OF 15000 kWh**

	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	15000	0.0000	\$ -	DISTRIBUTION kWh	15000	#DIV/0!	#DIV/0!		
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			\$ 988.50	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

**RESIDENTIAL CLASS - Suburban Seasonal**

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  
100 kWh

LEVEL	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	100	0.0000	\$ -		DISTRIBUTION kWh	100	#DIV/0!	#DIV/0!		
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			\$ 6.69		Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF  
250 kWh

LEVEL	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	250	0.0000	\$ -		DISTRIBUTION kWh	250	#DIV/0!	#DIV/0!		
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			\$ 16.73		Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF  
500 kWh

LEVEL	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	500	0.0000	\$ -		DISTRIBUTION kWh	500	#DIV/0!	#DIV/0!		
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			\$ 33.45		Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF  
750 kWh

LEVEL	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	750	0.0000	\$ -		DISTRIBUTION kWh	750	#DIV/0!	#DIV/0!		
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			\$ 50.18		Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF  
1000 kWh

LEVEL	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		
DISTRIBUTION kWh	1000	0.0000	\$ -		DISTRIBUTION kWh	1000	#DIV/0!	#DIV/0!		
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			\$ 66.90		Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION OF  
1500 kWh

LEVEL	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -		MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	
DISTRIBUTION kWh	1500	0.0000	\$ -		DISTRIBUTION kWh	1500	#DIV/0!	#DIV/0!	
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	

**MONTHLY CONSUMPTION OF  
2000 kWh**

CURRENT 2003 BILL				Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!
	kWh (enter)	RATE \$/kWh	CHARGE \$		kWh	RATE \$/kWh	CHARGE \$	IMPACT DOLLARS	IMPACT %	
MONTHLY SERVICE CHARGE	n/a	n/a	\$ -	MONTHLY SERVICE CHARGE	n/a	n/a	\$ -			
DISTRIBUTION kWh	2000	0.0000	\$ -	DISTRIBUTION kWh	2000	#DIV/0!	#DIV/0!			
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				Adjusted 2004 BILL				#DIV/0!	#DIV/0!	#DIV/0!
								#DIV/0!	#DIV/0!	#DIV/0!







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**HEARST POWER DISTRIBUTION COMPANY LIMITED**  
**Schedule of Distribution Rates and Charges**

Effective April 1, 2004 until February 28, 2005

RP-2004-0056  
EB-2004-0042

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

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$5.75
Distribution Volumetric Rate	(per kWh)	\$0.0062

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$3.79
Distribution Volumetric Rate	(per kWh)	\$0.0062

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

Monthly Service Charge	(per month)	\$24.15
Distribution Volumetric Rate	(per kW)	\$1.8218

**GENERAL SERVICE INTERMEDIATE USE**

Monthly Service Charge	(per month)	\$43.52
Distribution Volumetric Rate	(per kW)	\$0.2074

**HEARST POWER DISTRIBUTION COMPANY LIMITED**  
**Schedule of Distribution Rates and Charges**

Effective April 1, 2004 until February 28, 2005

(continued)

RP-2004-0056  
EB-2004-0042

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

Monthly Service Charge	(per month)	\$3.12
Distribution Volumetric Rate	(per kW)	\$0.8196

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

Monthly Service Charge	(per month)	\$0.76
Distribution Volumetric Rate	(per kW)	\$0.6642

**Unmetered Scattered Loads**

Billed at General Service <50 kW rates

Monthly Service Charge	(per month)	\$3.79
Distribution Volumetric Rate	(per kWh)	\$0.0062

**SPECIFIC SERVICE CHARGES**

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

Late Payment	(per month)	1.50%
	(per annum)	19.56%
Returned cheque charge (actual bank charges p \$		8.00
Collection of account charge	\$	8.25
Reconnection - during regular working hours	\$	16.00
Account set up charge	\$	8.25
Arrear's certificate charge	\$	10.00
Dispute involvment charge	\$	5.00

**Credits**

Allowance (per kW) for customer owned transformers, service at less than 115 kv .		\$0.60
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Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 3

Tab2

Schedule 1

Appendix4

Appendix 4 of 5

Tax Returns

CORPORATION NOTICE OF REASSESSMENT

Shawinigan-Sud QC G9N 7S6

0003616

HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE 925 ALEXANDRA STREET P O BAG 5000 HEARST ON P0L 1N0

REC U Le 17 JUN 2003 Rép.....

Table with 2 columns: Field Name, Value. Fields include Date of mailing (June 19, 2003), Business Number (89053 4811 RC0001), and Taxation year-end (December 31, 2001).

RESULTS

This notice explains the results of our reassessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Reassessment : \$ 9,248.45 Cr
Prior balance: \$ 9,248.45
Total balance: \$ 0.00

Please refer to the Summary and Explanation for additional information.



CORPORATION NOTICE OF REASSESSMENT

HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DIS

Date of mailing June 19, 2003
Business Number 89053 4811 RC0001
Taxation year-end December 31, 2001

SUMMARY OF REASSESSMENT

	\$ Previous	\$ Reassessed	\$ Adjustment
<b>Federal Tax:</b>			
Part I	7,775.00	0.00	7,775.00 Cr
Part I.3	0.00	0.00	0.00
Part II	0.00	0.00	0.00
Part IV	0.00	0.00	0.00
Part IV.1	0.00	0.00	0.00
Part VI	0.00	0.00	0.00
Part VI.1	0.00	0.00	0.00
Part XIV	0.00	0.00	0.00
			=====
<b>Total Federal Tax Adjustment:</b>			\$ 7,775.00 Cr
			=====
		<b>Net balance:</b>	\$ 7,775.00 Cr
<b>Penalties:</b>			
Subsection 162(1) late-filing penalty	777.50	0.00	777.50 Cr
<b>Interest:</b>			
Arrears interest			695.95 Cr
			=====
		<b>Result of this reassessment:</b>	\$ 9,248.45 Cr
		<b>Prior balance:</b>	\$ 9,248.45
			=====
		<b>Total balance:</b>	\$ 0.00

Alan Nymark  
Commissioner of Customs and Revenue

EXPLANATION

We have revised the Part I tax to NIL, because the corporation is exempt from Part I tax.

We have cancelled the late-filing penalty previously assessed under subsection 162(1) of the "Income Tax Act."

We have set the balance due date at the end of the second month following the end of the taxation year, since our records indicate the corporation does not qualify for the one-month balance due date extension.

If necessary, we have adjusted subsequent taxation years for carry-forward balances, interest, and balance due date.

Please visit our Web site at [www.ccra-adrc.gc.ca](http://www.ccra-adrc.gc.ca).





**T2 CORPORATION INCOME TAX RETURN (1998 and later taxation years)**

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

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2001 T2 Corporation Income Tax Guide*.

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** 89053 4811 RC 0001

**Corporation's name** (item 12)

**002** HEARST POWER DISTRIBUTION COMPANY 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** (item 13)  
Has the address changed since the last time we were notified? **010**  Yes  No

**011** \_\_\_\_\_  
**012** \_\_\_\_\_  
**015** City \_\_\_\_\_ **016** Province \_\_\_\_\_  
Country (other than Canada) \_\_\_\_\_ **017** Postal code \_\_\_\_\_ **018**

**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

**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** \_\_\_\_\_  
**023** \_\_\_\_\_  
City \_\_\_\_\_ Province \_\_\_\_\_  
**025** \_\_\_\_\_ **026** \_\_\_\_\_  
Country (other than Canada) \_\_\_\_\_ Postal code \_\_\_\_\_  
**027** \_\_\_\_\_ **028** \_\_\_\_\_

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

**Has there been a wind-up of a subsidiary under section 88 during the current taxation year?**(item 21)  
If yes, please provide 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** \_\_\_\_\_

**Location of books and records** (item 15)

**031** P.O. BAG 5000  
**032** \_\_\_\_\_  
City \_\_\_\_\_ Province \_\_\_\_\_  
**035** HEARST **036** ON  
Country (other than Canada) \_\_\_\_\_ Postal code \_\_\_\_\_  
**037** \_\_\_\_\_ **038** POL 1N0

**Is the non-resident corporation claiming an exemption under an Income Tax treaty?** (item 24)  
If yes, please provide Schedule 91 **082**  Yes  No

**040** **Type of corporation at end of taxation year** (item 16)

1  Canadian controlled private corporation (CCPC) 4  Corporation controlled by a public corporation  
2  Other private corporation 5  Other corporation (please specify, below)  
3  Public corporation \_\_\_\_\_  
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)  
**035** 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** \_\_\_\_\_

Guide item	Attachments	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 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 <i>Income Tax Regulations</i> ?	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 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
131	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	6
102	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (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	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?	217	17
149	is the corporation an investment corporation or a mutual fund corporation?	218	18
130	Is the corporation carrying on business in Canada while not a Canadian corporation?	220	20 *
117	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221	21
154	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226	26 *
110	Does the corporation have any Canadian manufacturing and processing profits?	227	27
120	Is the corporation claiming an investment tax credit?	231	31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232	T661/T665
123	Is the corporation subject to Part 1.3 tax?	233	33/34/35
123	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	36
123	Is the corporation claiming a surtax credit?	237	37
127	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	38
127	Is the corporation claiming a Part I tax credit?	242	42
128	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243	43
128	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	45
124	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249	46
127	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250	39
127	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251	40
127	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	41
151	Is the corporation claiming a Canadian film or video production tax credit refund?	253	T1131



**Attachments - Continued from page 2**

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

Additional information		
Is the corporation inactive? (item 48)	<b>280</b>	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	<b>281</b>	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (item 50) (Only complete if yes was entered at line 281.)	<b>282</b>	
If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51)	<b>283</b>	1 Wholesale <input type="checkbox"/> 2 Retail <input checked="" type="checkbox"/>
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)	<b>284</b>	<b>285</b> 100.000 %
	<b>286</b>	<b>287</b> %
	<b>288</b>	<b>289</b> %
Did the corporation immigrate to Canada during the taxation year? (item 53)	<b>291</b>	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year? (item 54)	<b>292</b>	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>

Taxable income		
Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)	<b>300</b>	55,660 A
Deduct:		
Charitable donations from Schedule 2 (item 78)	<b>311</b>	
Gifts to Canada or a province from Schedule 2 (item 79)	<b>312</b>	
Cultural gifts from Schedule 2 (item 80)	<b>313</b>	
Ecological gifts from Schedule 2 (item 81)	<b>314</b>	
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	<b>320</b>	
Part VI.1 tax deduction from Schedule 43 (item 83)	<b>325</b>	
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	<b>331</b>	
Net capital losses of preceding taxation years from Schedule 4 (item 85)	<b>332</b>	
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	<b>333</b>	
Farm losses of prior taxation years from Schedule 4 (item 87)	<b>334</b>	
Limited partnership losses of prior years from Schedule 4 (item 88)	<b>335</b>	
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	<b>340</b>	
Prospector's and grubstaker's shares (item 90)	<b>350</b>	
Subtotal		B
	Subtotal	55,660 C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	<b>355</b>	D
<b>Taxable income</b> (amount C plus amount D) (item 92)	<b>360</b>	55,660
Income exempt under paragraph 149(1)(t) (item 93)	<b>370</b>	
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)		Z

### Small business deduction

**Canadian-controlled private corporations throughout the taxation year**

Income from active business carried on in Canada from Schedule 7 (item 95)	<b>400</b>	55,660	A
Taxable income from line 360 or amount Z, whichever applies, <b>minus</b> 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax (item 96)			
	<b>405</b>	55,660	B
Business limit (for associated corporations, enter business limit from Schedule 23) (item 97)	<b>410</b>	50,411	C
<b>Reduction to business limit:</b> (item 98)			
Amount C <u>50,411</u> X <b>415</b> *** <u>        </u> D = <u>        </u>			E
		<u>11,250</u>	
Reduced business limit (amount C minus amount E) (if negative, enter "0")	<b>425</b>	50,411	F
<b>Small business deduction</b> - 16% of the least of amounts A, B, C, and F	<b>430</b>	8,066	G
(enter amount G of line 9 on page 7)			

\* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.  
 \*\* Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.  
 \*\*\* **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

### Accelerated tax reduction (item 99)

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

Reduced business limit (amount from line 425)	50,411	x 3/2 =		75,616	A
Net active business income (amount from line 400)*				55,660	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					
				55,660	C
<b>Deduct:</b>					
Aggregate investment income (amount from line 440)				D	
Amount C minus amount D (if negative, enter "0")			55,660 ▶	55,660	E
The least of amounts A, B, or E above					
				55,660	F
Amount Z from Part 9 of Schedule 27		x 100 / 7 =			G
Amount QQ from Part 13 of Schedule 27					H
Resource allowance (amount from 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
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction			50,411		K
Total of amounts G, H, I, J, and K			50,411 ▶	50,411	L
Amount F minus amount L (if negative, enter "0")				5,249	M
Amount M <u>5,249</u> x <u>Days in the taxation year after December 31, 2000</u>			92		
			92	=	5,249
					N
<b>Accelerated tax reduction</b> - 7% of amount N					
				367	O
(Enter amount O on line 637 of page 7)					

\* If the amount at line 450 of Schedule 7 is positive, specified partnerships need to use Schedule 70 to calculate net active business income.  
 \*\* Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

**General tax reduction for Canadian-controlled private corporations (item 100)**

**Canadian-controlled private corporations throughout taxation year**

Taxable income from line 360 or amount Z of page 3		55,660	A
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		B
Amount QQ from Part 13 of Schedule 27			C
Resource allowance (amount from 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
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction		50,411	F
Aggregate investment income from line 440 of page 6			G
Amount used to calculate the accelerated tax reduction (amount M on page 4)		5,249	H
Total of amounts B, C, D, E, F, G, and H		55,660	I
Amount A minus amount I (if negative, enter "0")			J
Amount J	x $\frac{\text{Number of days in the taxation year in 2001}}{\text{Number of days in the taxation year}}$	92 / 92	x 1% =
			K
Amount J	x $\frac{\text{Number of days in the taxation year in 2002}}{\text{Number of days in the taxation year}}$	92 / 92	x 3% =
			L
<b>General tax reduction for Canadian-controlled private corporations</b> - amount K plus amount L			M
(enter amount M on line 638 of page 7)			

**General tax reduction (item 101)**

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

Taxable income from line 360 or amount Z of page 3			A
Amount Z from Part 9 of Schedule 27	x 100 / 7 =		B
Amount QQ from Part 13 of Schedule 27			C
Resource allowance (amount from 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
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction			E1
Total of amounts B, C, D, E and E1			F
Amount A minus amount F (if negative, enter "0")			G
Amount G	x $\frac{\text{Number of days in the taxation year in 2001}}{\text{Number of days in the taxation year}}$		x 1% =
			H
Amount G	x $\frac{\text{Number of days in the taxation year in 2002}}{\text{Number of days in the taxation year}}$		x 3% =
			I
<b>General tax reduction</b> - amount H plus amount I			J
(enter amount J on line 639 of page 7)			

**Refundable portion of Part I tax (item 102)**

**Canadian-controlled private corporations throughout the taxation year**

Aggregate investment income	<b>440</b>	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				
<b>Deduct:</b>				
Foreign investment income	<b>445</b>	X 9 1/3 % =		
(Amount O from Part 1 of Schedule 7) (if negative, enter "0")				
Amount A <b>minus</b> amount B (if negative, enter "0")				
Taxable income from line 360 on page 3				
			55,660	
<b>Deduct:</b>				
Least of amounts on lines 400, 405, 410, and 425 on page 4				
			50,411	
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 =				
			50,411	
			5,249	
		X 26 2/3% =		1,400 D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8)				
			7,775	
<b>Deduct</b> corporate surtax from line 600 on page 7				
			623	
Net amount				
			7,152 ▶	7,152 E
<b>Refundable portion of Part I tax - the least of amounts C, D, and E</b>				<b>450</b> 0 F

**Refundable dividend tax on hand (item 103)**

Refundable dividend tax on hand at the end of the preceding tax year	<b>460</b>			
<b>Deduct</b> dividend refund for the previous taxation year				
	<b>465</b>			A
<b>Add</b> 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				
	<b>480</b>			B
<b>Refundable dividend tax on hand at the end of the taxation year - Amount A plus Amount B</b>				<b>485</b> 0

**Dividend refund (item 104)**

<b>Private and subject corporations at the time taxable dividends were paid in the taxation year</b>				
Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3				
				A
Refundable dividend tax on hand at the end of the taxation year from line 485 above				
				B
<b>Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8)</b>				0



**Part I tax**

<b>Base amount of Part I tax</b> - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 105)	<b>550</b>	21,151	A
<b>Corporate surtax calculation</b> (item 106)			
Base amount from line A above	21,151		1
<b>Deduct:</b>			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	5,566		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
Part I tax otherwise payable (line A plus line C and D minus line F)	7,152		c
Total of lines 2 to 6	5,566		7
Net amount (line 1 minus line 7)	15,585		8
<b>Corporate surtax</b> - 4% of the amount on line 8	<b>600</b>	623	B
Recapture of investment tax credit from line XX in Part 16 on page 8 of Schedule 31 (item 107)	<b>602</b>		C
<b>Calculation for the refundable tax on Canadian-controlled private corporation's investment income</b> (for a CCPC throughout the taxation year) (item 108)			
Aggregate investment income from line 440 on page 6			i
Taxable income from line 360 on page 4	55,660		
<b>Deduct:</b>			
The least of amounts on lines 400, 405, 410, and 425 on page 4	50,411		
Net amount	5,249	5,249	ii
<b>Refundable tax on CCPC's investment income</b> - 6 2/3 % of the lesser of amounts i or ii	<b>604</b>		D
Subtotal (add lines A, B, C, and D)		21,774	E
<b>Deduct:</b>			
Small business deduction from line 430 on page 4		8,066	9
Federal tax abatement (item 109)	<b>608</b>	5,566	
Manufacturing and processing profits deduction from amount BB or VV of Schedule 27 (item 110)	<b>616</b>		
Investment corporation deduction (item 111) (Taxed capital gains <b>624</b> )	<b>620</b>		
Additional deduction - credit unions from Schedule 17 (item 112)	<b>628</b>		
Federal foreign non-business income tax credit from Schedule 21 (item 113)	<b>632</b>		
Federal foreign business income tax credit from Schedule 21 (item 114)	<b>636</b>		
Accelerated tax reduction from amount O of page 4 (item 115)	<b>637</b>	367	
General tax reduction for CCPC's from amount L of page 5 (item 116)	<b>638</b>		
General tax reduction from amount I of page 5 (item 116)	<b>639</b>		
Federal logging tax credit from Schedule 21 (item 117)	<b>640</b>		
Federal political contribution tax credit (item 118)	<b>644</b>		
Federal political contributions	<b>646</b>		
Federal qualifying environmental trust tax credit (item 119)	<b>648</b>		
Investment tax credit from Schedule 31 (item 120)	<b>652</b>		
Subtotal		13,999	F
<b>Part I tax payable</b> - Line E minus line F (enter amount G on line 700 on page 8) (item 121)		7,775	G

**Summary of tax and credits**

**Federal tax**

Part I tax payable from page 5 (item 122)	700	7,775
Part I.3 tax payable from Schedule 33, 34, or 35 (item 123)	704	
Part II tax payable from Schedule 46 (item 124)	708	
Part IV tax payable from Schedule 3 (item 125)	712	
Part IV.1 tax payable from Schedule 43 (item 126)	716	
Part VI tax payable from Schedule 38 (item 127)	720	
Part VI.1 tax payable from Schedule 43 (item 128)	724	
Part XIII.1 tax payable from Schedule 92 (item 129)	727	
Part XIV tax payable from Schedule 20 (item 130)	728	
<b>Total federal tax</b>		<b>7,775</b>

**Add provincial and territorial tax**

Provincial or territorial jurisdiction (item 131) **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 132)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 146)	765	
<b>Total tax payable</b>	<b>770</b>	<b>7,775</b> A

**Deduct other credits**

Investment tax credit refund from Schedule 31 (items 147)	780	
Dividend refund from Page 4 (items 148)	784	
Federal capital gains refund from Schedule 18 (item 149)	788	
Federal qualifying environmental trust tax credit refund (item 150)	792	
Canadian film or video production tax credit refund from Form T1131 (item 151)	796	
Film or video production services tax credit refund from Form T1177 (item 152)	797	
Tax withheld at source (item 153)	800	
Total payments on which tax has been withheld (item 153)	801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 154)	804	
Provincial and territorial capital gains refund from Schedule 18 (item 155)	808	
Provincial and territorial refundable tax credits from Schedule 5 (item 156)	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order (item 157)	816	
Tax instalments paid (item 158)	840	
<b>Total credits</b>	<b>890</b>	<b>B</b>

Refund Code **894** Overpayment (item 159) \_\_\_\_\_ Balance (line A minus line B) **7,775** I

**Direct Deposit Request** (item 163)

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

Start  Change information **910** \_\_\_\_\_ Branch number

**914** \_\_\_\_\_ **918** \_\_\_\_\_  
 Institution number Account number

If the result is negative, you have an **overpayment**.  
 If the result is positive, you have a **balance unpaid**.  
 Enter the amount on whichever line applies.  
 We do not charge or refund a difference of less than \$2.  
 Balance unpaid (item 162) **7,775**  
 Enclosed payment (item 161) **898** **6,767**

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 160) **896** 1 Yes  2 No  NA

**Certification** (item 164)

**950** LEDUC Surname **951** NICOLE First name **954** Manager Position, office or rank

**955** 2011/09/14 Date **956** (705) 372-2815 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 165)

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

**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** 233,730

**Add:**

Provision for income taxes - current	<b>101</b>	11,115	
Amortization of tangible assets	<b>104</b>	151,229	
Total of fields 201 to 294	<b>199</b>	23	
Total of fields 101 to 199	<b>500</b>	162,367	▶ <u>162,367</u>

**Deduct:**

Capital cost allowance - Schedule 8	<b>403</b>	41,742	
Cumulative eligible capital deduction - Schedule 10	<b>405</b>	367	
Total of fields 300 to 394	<b>499</b>	298,328	
Total of fields 401 to 499	<b>510</b>	340,437	▶ <u>340,437</u>

**Net income (loss) for income tax purposes** (enter on line 300 of the T2 return) 55,660

**Add:**

Accounts receivable and prepaid for cash basis - opening	<b>202</b>	23	
Total of fields 201 to 294 (Enter this amount at line 199)		23	<u><u>23</u></u>

**Deduct:****Other deductions:**

<b>700</b> Statement of partnership income T5013 - box 18 net loss	<b>390</b>	1,272	
<b>701</b> Income for the first nine months of the year	<b>391</b>	183,634	
<b>702</b> Depreciation for the first nine months of the year	<b>392</b>	113,422	
Total of fields 300 to 394 (Enter this amount at line 499)		298,328	<u><u>298,328</u></u>



**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	35,355						35,355
2001/12/31							
Totals	35,355						35,355

**Current year non-capital loss**

Net income (loss) for income tax purposes	55,660
<b>Deduct:</b>	
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"	
<b>Deduct:</b> Section 110.5 - addition for foreign tax credits	
<b>Add:</b> Current year farm loss	
<b>Current year non-capital loss</b> (if positive, enter "0")	

**Non-capital loss continuity and carry-back request**

Non-capital losses at end of preceding taxation year	35,355
Losses expired after 7 years	<b>100</b> -
Non-capital losses - beginning balance	<b>102</b> = 35,355
Transfers from wind-up of wholly-owned subsidiary and amalgamation	<b>105</b> +
Current year non-capital loss from above	<b>110</b>
<b>Deduct - Non-capital loss carry back to:</b>	
1st preceding taxation year against taxable income	<b>901</b>
2nd preceding taxation year against taxable income	<b>902</b>
3rd preceding taxation year against taxable income	<b>903</b>
1st preceding taxation year against taxable dividends subject to Part IV tax	<b>911</b>
2nd preceding taxation year against taxable dividends subject to Part IV tax	<b>912</b>
3rd preceding taxation year against taxable dividends subject to Part IV tax	<b>913</b>
Current year non-capital loss net of carryback	Subtotal = 35,355
<b>Deduct:</b>	
Amount applied against taxable income (enter on line 331 of T2 return)	<b>130</b>
Amount applied against dividends subject to Part IV tax	<b>135</b>
Section 80 adjustments	<b>140</b>
Other adjustments	<b>150</b>
Non-capital losses - ending balance	<b>180</b> = 35,355



### 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
<b>Deduct - Restricted farm loss carry back to:</b>	
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	+
<b>Deduct:</b>	
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=



**CAPITAL COST ALLOWANCE**

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

1 Class <b>200</b>	2 UCC at start of year <b>201</b>	3 Cost of additions in the year <b>203</b>	4 Net adjustments <b>205</b>	5 Proceeds of dispositions in the year <b>207</b>	7 Adjustment for additions (1/2 x (col 3 - 5)) <b>211</b>	8 Base amount for CCA	9 Rate % <b>212</b>	10 CCA for the year (col 8 x 9 or a lower amount) <b>217</b>	11 Recapture of CCA <b>213</b>	12 Terminal loss <b>215</b>	13 UCC at the end of the year <b>220</b>
1	139,463					139,463	4	1,406			138,057
2	1,082,605	16,018			8,009	1,090,614	6	16,494			1,082,129
8	288					288	20	15			273
10	17,014	11,600			5,800	22,814	30	1,725			26,889
8	31,414	3,902			1,951	33,365	20	1,682			33,634
10	167,494					167,494	30	12,665			154,829
36	7,600					7,600					7,600
12		61,533			30,767	30,766	100	7,755			53,778
<b>Totals</b>	<b>1,445,878</b>	<b>93,053</b>			<b>46,527</b>	<b>1,492,404</b>		<b>41,742</b>			<b>1,497,189</b>



**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION**

- 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)		<b>200</b>	1,696	A
<b>Add:</b>				
Cost of eligible capital property acquired during the taxation year	<b>222</b>	25,471		B
Transfer from predecessor or subsidiary corporation	<b>224</b>			C
Other adjustments	<b>226</b>			D
(add amounts B, C, and D)		25,471	x 3/4 =	19,103
<b>Subtotal (amount A plus amount E)</b>		<b>230</b>		20,799
<b>Deduct:</b>				
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	<b>242</b>			G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	<b>244</b>			H
Other adjustments	<b>246</b>			I
(add amounts G, H, and I)			x 3/4 =	<b>248</b>
<b>Cumulative eligible capital balance (amount F minus amount J)</b>				20,799
(if amount K is negative, enter "0" at line M and proceed to Part 2)				
<b>Current year deduction</b>	amount K	20,799	x 7% =	<b>250</b>
(Deduct amount L on line 405 of Schedule 1)				
<b>Cumulative eligible capital balance at the end of the taxation year</b>		<b>300</b>		20,432
<b>Note:</b> 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	<b>400</b>		1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)	<b>401</b>		2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	<b>402</b>		3	
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	<b>408</b>		4	
Line 3 <b>minus</b> line 4	<b>409</b>		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 <b>minus</b> line 7				O
Line N <b>minus</b> line O (cannot be negative)				P
Amount on line 5	X 1/2			Q
Line P <b>minus</b> line Q				R
Amount on line R	X 66.6667 *			S
Lesser of line N or line O				T
<b>Amount to be included in income on line 108 of schedule 1, line S plus line T</b>		<b>410</b>		

\* 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





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

## 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	2 Business Number	3 Association code	4 Allocation of business limit *	5 Year end to which this agreement applies
<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>
HEARST POWER DISTRIBUTION COMPANY LIMITED	89053 4811 RC 0001	1	200,000	
HEARST POWER SALES AND SERVICES COMPANY L	86368 9998 RC 0001	1		
	RC	0		
<b>TOTALS</b>			<b>\$ 200,000</b>	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. \$ 50,411

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
HEARST POWER DISTRIBUTION COMPA			33,425		200,000
HEARST POWER SALES AND SERVICES					
<b>TOTALS</b>	<b>\$</b>	<b>\$</b>	<b>\$ 33,425</b>	<b>\$</b>	<b>\$ 200,000</b>

\* 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).



## 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 <b>100</b>	Business Number * <b>200</b>	Social Insurance Number * <b>300</b>	Percentage common shares <b>400</b>	Percentage preferred shares <b>500</b>
The Corporation of the Town of Hearst	10812 7051 RC 0001		100.000	
	RC			

\* If the shareholder is a trust, fields 200 and 300 will be blank.

**BALANCE SHEET INFORMATION****Schedule 100**

<b>Assets</b>	<b>Code</b>	<b>Amount</b>
Cash and deposits	<b>1000</b>	2,344,705
Accounts Receivable	1060	976,277
Inventories	1120	124,441
Prepaid expenses	1484	11,630
Land	1600	7,600
Buildings	1680	136,366
Machinery, equipment, furniture and fixtures	1740	1,054,612
Motor vehicles	1742	122,150
Computer equipment / software	1774	17,534
Goodwill	2012	1,946
Incorporation costs	2018	72,413
Long term investments	2300	194,820
<b>Total assets</b>	<b>2599</b>	5,064,494

<b>Liabilities</b>	<b>Code</b>	<b>Amount</b>
Bank overdraft	<b>2600</b>	
Amounts payable and accrued liabilities	2620	702,943
Taxes payable	2680	615
Long term debt	3140	1,700,000
<b>Total liabilities</b>	<b>3499</b>	2,403,558

<b>Equity</b>	<b>Code</b>	<b>Amount</b>
Common shares	<b>3500</b>	10,000
Contributed and other surplus	3540	553,783
Retained earnings / deficit	<b>3600</b>	2,097,153
<b>Total equity</b>	<b>3620</b>	2,660,936
<b>Total liabilities and equity</b>	<b>3640</b>	5,064,494

<b>Retained earnings</b>	<b>Code</b>	<b>Amount</b>
Retained earnings/deficit-start	<b>3660</b>	1,863,423
Net income / loss	<b>3680</b>	233,730
<b>Total retained earnings</b>	<b>3849</b>	2,097,153

**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		<b>8000</b>	7,984,018
Total sales of goods and services		<b>8089</b>	7,984,018
Investment revenue		8090	140,148
Other revenue		8230	125,560
Total revenue		<b>8299</b>	8,249,726

	Cost of sales	Code	Amount
Opening inventory		<b>8300</b>	
Purchases / cost of materials		8320	7,185,266
Cost of sales		<b>8518</b>	7,185,266
Gross profit / loss (item 8089 - item 8518)		<b>8519</b>	798,752

	Operating expenses	Code	Amount
Amortization of tangible assets		8670	151,229
Interest and bank charges		8710	233,648
Office expenses		8810	37,065
Professional fees		8860	
Rental		8910	3,761
Repairs and maintenance		8960	134,296
Salaries and wages		9060	148,426
Sub-contracts		9110	24,289
Supplies		9130	86,901
Other expenses		9270	
Total operating expenses		<b>9367</b>	819,615
Total expenses		<b>9368</b>	8,004,881
Net non-farming income		<b>9369</b>	244,845

	Farming revenue	Code	Amount
Grains and oilseeds		<b>9370</b>	
Total farm revenue		<b>9659</b>	

	Farming expenses	Code	Amount
Crop expenses		<b>9660</b>	
Total farm expenses		<b>9898</b>	
Net farm income		<b>9899</b>	
Net income / loss before taxes and extraordinary items		<b>9970</b>	244,845

**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 -	11,115
Deferred income tax provision	9995 -	
Net income / loss after taxes and extraordinary items	9999 =	233,730



**NOTES CHECKLIST**

**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  NA
- Has there been a change in accounting policies since the last return? **103**  Yes  No  NA
- Are subsequent events mentioned in the notes? **104**  Yes  No  NA
- Is re-evaluation of asset information mentioned in the notes? **105**  Yes  No  NA
- Is contingent liability mentioned in the notes? **106**  Yes  No  NA
- Is information regarding commitments mentioned in the notes? **107**  Yes  No  NA
- Does the corporation have investments in joint venture(s) or partnerships? **108**  Yes  No  NA
- If yes, are you filing financial statements of the joint venture(s) or partnership(s)? **109**  Yes  No  NA



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: HEARST POWER DISTRIBUTION COMPANY LIMITED Business Number: 890534811

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.

Collins Barrow

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

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) 362-4261

Representative's telephone number

(705) 362-4641

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 <input type="checkbox"/>	RC _____	RC _____
GST/HST	RT0001 <input type="checkbox"/>	RT _____	RT _____
Payroll deductions	RP0001 <input type="checkbox"/>	RP _____	RP _____
Import/Export	RM0001 <input type="checkbox"/>	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: HEARST POWER DISTRIBUTION COMPANY LIMITED Business Number: 890534811

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 <input type="checkbox"/>	RC _____	RC _____
GST/HST	RT0001 <input type="checkbox"/>	RT _____	RT _____
Payroll deductions	RP0001 <input type="checkbox"/>	RP _____	RP _____
Import/Export	RM0001 <input type="checkbox"/>	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 NICOLE LEDUC Title Manager

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

Sign here ▶ \_\_\_\_\_ Date 2011/09/14



TaxPaid

# Tax instalments paid

Jurisdiction	Description	Date	Amount
Ontario	Instalment	2001/12/31	10,500
Federal			
Total			10,500

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

## Summary by jurisdiction

Federal	_____	Manitoba	_____
British Columbia	_____	Ontario	10,500
Alberta	_____		
Saskatchewan	_____		

CDA

# Capital dividend account continuity

## Summary

	Prior years	Current year	Total
Non-taxable (non-deductible) portion of capital gain (loss)			
Non-taxable portion of allowable business investment (loss)	+		
A. Net non-taxable gain eligible for CDA (0 if negative)	=		
B. Capital dividends received			
1/4 of net proceeds from the sale of eligible capital property			
ECP proceeds not included in income (year-ends after 2000/02/27)	+		
1/4 of eligible capital expenditures	-	6,368	6,368
Other ECP adjustments	±		
C. Net non-taxable ECP gain eligible for CDA (0 if negative)	=		
D. Net proceeds (in excess of adjusted cost base) of life insurance policy where corporation is beneficiary			
E. <b>Subtotal</b> (A to D)			
F. Capital dividends paid	-		
G. <b>Capital dividend account at end of the year</b> (E - F) (0 if negative)	=		

## Adjustments

Adjusted CDA balance

Instalments

# Federal 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		55,660	
Base amount of Part I tax		21,151	
Corporate surtax		623	
Refundable tax on CCPC's investment income			
Small business deduction		8,066	
Federal tax abatement		5,566	
Manufacturing and processing profits deduction			
Foreign tax credits			
Tax reductions		367	
Political contribution tax credit			
Investment tax credit			
Other credits			
<b>Part I tax payable</b>		<b>7,775</b>	
Part I.3 tax payable			
Part VI tax payable			
Part VI.1 tax payable			
Net provincial or territorial tax payable			
<b>Total tax payable</b>		<b>7,775</b>	
Days in taxation year	365	92	61
Tax payable adjusted for short taxation years		30,846	
<b>Estimated credits for the current year:</b>			
Investment tax credit refund			
Dividend refund			
Other			
Total estimated credits			
<b>Instalment base</b>		<b>30,846</b>	
<b>Monthly payment</b>		<b>2,571</b>	

## Instalment payment options

1. based on estimated taxes for the current year
  3. based on the first and second instalment base  
 2. based on the first 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	3,085		
2002/04/30	3,085		
2002/05/31	3,085		
2002/06/30	3,085		
2002/07/31	3,085		
2002/08/31	3,085		
2002/09/30	3,085		
2002/10/31	3,085		
2002/11/30	3,085		
2002/12/31	3,085		
Total	30,850		

## Summary

**Tax Summary**

Tax year ending 2001/12/31

Taxable income		Tax payable	
Net income for tax purposes	55,660	Part I tax	7,775
Charitable donations and gifts	-	Part 1.3 tax (large corporations tax)	+
Taxable dividends	-	Taxable dividends received	
Losses of prior years	-	Part IV tax	+
Other adjustments	±	Other federal tax payable	+
Taxable income	= 55,660	Subtotal	= 7,775
<b>Part I tax</b>		Provincial and territorial tax (except QC,ON,AB)	+
38% of taxable income	21,151	Provincial tax on large corporations (NB,NS)	+
Surtax	+ 623	Tax payable	+ 7,775
Refundable tax on CCPC investment income	+	Tax instalments paid	-
Active business income	55,660	Investment tax credit refund	-
Small business deduction	- 8,066	Taxable dividends paid	
Federal tax abatement	- 5,566	Dividend refund	-
Manufacturing and processing deduction	-	Other refundable credits	-
Foreign tax credits	-	<b>Balance owing (refund) on federal return</b>	= 7,775
Political contribution tax credit	-	Provincial income tax (ON,AB,QC)	3,340
Investment tax credit	-	Capital and other provincial taxes	+
Other deductions and credits	- 367	Tax instalments and credits	- 10,500
Part I tax	= 7,775	Other provincial taxes	= (7,160)
		<b>Total balance owing (refund)</b>	<b>615</b>

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					
	<b>Schedule 5 provincial tax payable</b>				
Ontario	55,660	3,340		10,500	(7,160)
Alberta					
Québec					
	<b>Totals</b>	<b>3,340</b>		<b>10,500</b>	<b>(7,160)</b>

Loss carryforwards		Other carryforwards	
Capital		Capital dividend account	
Non-capital	35,355	Refundable dividend tax on hand (net of dividend refund)	
Farm		Unused Part 1.3 tax credit	
Restricted farm		Unused surtax credits	623
Limited partnership		Foreign business tax credits	
Listed personal property		Donations and gifts	
		Investment tax credits	

5Year

# 5 Year Tax Summary

Years Ending:	2001/12/31	2001/09/30			
<b>Taxable income</b>					
Net Income for tax purposes	55,660	(35,355)			
Charitable donations and gifts	-	-	-	-	-
Taxable dividends	-	-	-	-	-
Losses of other years	-	-	-	-	-
Other adjustments	±	±	±	±	±
Taxable income	= 55,660	=	=	=	=
<b>Active business income</b>					
	55,660				
<b>Part I tax</b>					
38% of taxable income	21,151				
Surtax	+ 623	+	+	+	+
Refundable tax on CCPC investment income	+	+	+	+	+
Small business deduction	- 8,066	-	-	-	-
Federal tax abatement	- 5,566	-	-	-	-
Manufacturing and processing deduction	-	-	-	-	-
Foreign tax credits	-	-	-	-	-
Political contribution tax credit	-	-	-	-	-
Investment tax credit	-	-	-	-	-
Other deductions and credits	- 367	-	-	-	-
Part I tax	= 7,775	=	=	=	=
<b>Tax payable</b>					
Part I tax	7,775				
Part I.3 tax	+	+	+	+	+
Part IV tax	+	+	+	+	+
Other federal tax payable	+	+	+	+	+
Subtotal	= 7,775	=	=	=	=
Provincial and territorial tax (except QC,ON,AB)	+	+	+	+	+
Provincial tax on large corporations (NB,NS)	+	+	+	+	+
Tax payable	= 7,775	=	=	=	=
Tax instalments made	-	-	-	-	-
Investment tax credit refund	-	-	-	-	-
Dividend refund	-	-	-	-	-
Other refundable credits	-	-	-	-	-
Balance owing (refund)	= 7,775	=	=	=	=
Provincial income tax (ON,AB,QC)	3,340				
Capital and other provincial taxes	+	+	+	+	+
Tax instalments and credits	- 10,500	-	-	-	-
Other provincial taxes	= (7,160)	=	=	=	=
<b>Total taxes owing (refund)</b>	<b>615</b>				

Notice T2 The information below will not transfer to the T2 jacket unless the head office address has changed, per CCRA request.

Notice T2 The information below will not transfer to the T2 jacket unless the mailing address has changed, per CCRA request.

Notice Info The preparer information on this return does not match the information in Options|Environment. To update the preparer information on this return, open the Info form, right click, and select "Update preparer information".

Notice S141 Please include a paper copy of the financial statements notes with the T2RSI submission.

Notice OEfile This return must be filed on disk as corporation is subject to CMT.

Override T2 Line 85: Exemption from tax under section 149 (ProFile: )

Override T2 Line 331: Non-capital losses of prior years (No difference)

Override Info End of taxation year (ProFile: September 30, 2002)

Override S4N Line 130: Losses applied against taxable income (No difference)

Override OS4N OS4N[137] (No difference)

Override CT23 Ontario Special Status (ProFile: 0)

Override CT23 Line 704: Non-capital losses (No difference)

Override CT23 Line 241: Total Revenue (ProFile: 32,729,891)

Override CT23 Line 704: Non-Capital Losses-Utilized (No difference)

September 14, 2011

CBMN FINANCIAL SERVICES INC  
COLLINS BARROW  
1021 George street  
Hearst, Ontario  
P0L 1N0

MS. LEDUC  
HEARST POWER DISTRIBUTION COMPANY LIMITED

Dear MS. LEDUC:

We enclose two copies of the corporations tax return, including accompanying schedules and financial statements. We have prepared this return based on the information you provided to us. Please mail one copy of the return to Revenue Canada on or before June 30, 2002. The second copy is for your records.

The T2 return shows a balance owing of \$7,775.

Please sign the following forms on the Revenue Canada copy:

Page 8 of the T2 return  
RC59: Consent Form  
T2013: Agreement among Associated Corporations

File a signed copy of the Ontario CT23 Tax Return, including accompanying schedules and financial statements, with the Ontario Ministry of Finance. The CT23 return shows a refund of \$7,160.

If you have any questions about your return(s), please contact me at 705-362-4261.

Sincerely yours,

**COLLINS BARROW**

CBMN FINANCIAL SERVICES INC

Enclosure



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.

MCBS Annual Return Required? (Refer to Guide) Yes [ ] No [X]

Page 1 of 24

Form containing fields for Corporation's legal name (HEARST POWER DISTRIBUTION COMPANY LIMITED), P.O. address, City (HEARST), Province (ON), Country (CA), Postal code (P0L 1N0), Ontario Corporations Tax Account No. (7334207), Taxation Year (2001/10/01 to 2001/12/31), Date of Incorporation (2000/11/02), Ontario Corporation No. (7334207), Canada Customs and Revenue Agency Business No. (890534811RC0001), Name of person to contact (NICOLE LEDUC), Telephone no. (705) 372-2815, Fax no. -, Jurisdiction (ONTARIO), Address of Principal Office in Ontario, Former Corporation Name (Not applicable), Information on Directors/Officers/Administrators, Preferred Language (English), and Ministry Use barcode.

Certification (MCBS)

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

Name of Authorized Person
NICOLE LEDUC

Title: [ ] Director [ ] Officer [X] 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

Page 2 of 24

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.

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                                  |  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | (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 <u>100</u> % (nearest whole percent)  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | (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)  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | (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.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | (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; <b>OR</b> 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. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | (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).   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | (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 ( 1 ) 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 Share Capital with full voting rights owned by Canadian residents. (nearest %)
- 4 Non-share Capital 100 %
- 5 Other (specify)

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  
**ELECTRICAL UTILITY**

- 2**  1 Family Farm Corporation s.1(2)  14 Bare Trustee Corporation
- 2 Family Fishing Corporation s.1(2)  15 Branch of Non-resident s.63(1)
- 3 Mortgage Investment Corp s.47  16 Financial institutions prescribed by Regulation only
- 4 Credit Union s.51  17 Investment Dealer
- 5 Bank Mortgage Subsidiary s.61(4)  18 Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 6 Bank s.1(2)
- 7 Loan and Trust Corporation s.61(4)  19 Hydro successor, Municipal Electrical Utility or subsidiary of either
- 8 Non-resident Corp s.2(2)(a) or (b)  20 Producer and seller of steam for uses other than for the generation of electricity
- 9 Non-resident Corporation s.2(2)(c)  21 Insurance Exchange s.74.4
- 10 Mutual Fund Corporation s.48  22 Farm Feeder Finance Co-operative Corporation
- 11 Non-resident owned investment Corp s.49  23 Professional Corporation (incorporated professionals only)
- 12 Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

**Please check ( 1 ) box(es) if applicable:**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> <u>First Year of Filing</u>  | <input type="checkbox"/> <u>Final Taxation Year up to Dissolution (wind-up)</u> | <input type="checkbox"/> <u>Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario</u> |
| <input type="checkbox"/> <u>Amended Return</u>  | <input type="checkbox"/> <u>Final Taxation Year before Amalgamation</u>         | <input type="checkbox"/> <u>Acquisition of Control fed s.249(4)</u>   |
| <input type="checkbox"/> <u>Taxation Year End has changed - Canada Customs and Revenue Agency approval required</u> | <input type="checkbox"/> <u>Floating Fiscal Year End</u>                        | <u>Date control was acquired:</u><br>_____  |

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

# 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 <b>690±</b>	55,660
Subtract: Charitable donations	<b>1</b>	-
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property ( <i>Attach schedule</i> )	<b>2</b>	-
Subtract: Taxable dividends deductible, per federal T2 SCH 3	<b>3</b>	-
Subtract: Ontario political contributions ( <i>Attach schedule</i> )	<b>4</b>	-
Subtract: Federal Part VI.1 tax	<b>5</b>	-
Subtract: Prior years' losses applied - Non-capital losses	From <b>704</b>	-
	From <b>715</b>	inclusion
Net capital losses (page 17)	X rate <b>50.000000</b> %	<b>714</b> -
Farm losses	From <b>724</b>	-
Restricted farm losses	From <b>734</b>	-
Limited partnership losses	From <b>754</b>	-
<b>Taxable income (Non-capital loss)</b>	<b>10</b>	= <b>55,660</b>
Addition to taxable income for unused foreign tax deduction for federal purposes	<b>11</b> +	
<b>Adjusted taxable income 10 + 11</b> (if 10 is negative, enter 11)	<b>20</b>	= <b>55,660</b>

Taxable Income	Number of days in Taxation Year	
	Days after May 1, 2000 and before Jan 1, 2001	Total days
From <b>10</b> (or <b>20</b> )		
55,660 X <b>30</b> <b>100.0000</b> % X 14.5 % X <b>24</b>	÷ <b>73</b>	<b>92</b> = <b>25+</b>
Ontario Allocation	Days after Dec 31, 2000 and before Oct 1, 2001	Total days
From <b>10</b> (or <b>20</b> )		
55,660 X <b>30</b> <b>100.0000</b> % X 14.0 % X <b>26</b>	÷ <b>73</b>	<b>92</b> = <b>27+</b>
Ontario Allocation	Days after Sept 30, 2001 and before Jan 1, 2003	Total days
From <b>10</b> (or <b>20</b> )		
55,660 X <b>30</b> <b>100.0000</b> % X 12.5 % X <b>28</b>	<b>92</b> ÷ <b>73</b>	<b>92</b> = <b>29+</b> 6,958
Ontario Allocation	Days after Dec 31, 2002 and before Jan 1, 2004	Total days
From <b>10</b> (or <b>20</b> )		
55,660 X <b>30</b> <b>100.0000</b> % X 11.0 % X <b>31</b>	÷ <b>73</b>	<b>92</b> = <b>32+</b>
Ontario Allocation		
<b>Taxable Income Payable</b> (before deduction of tax credits) <b>25 + 27 + 29 + 32</b>	<b>40</b>	= <b>6,958</b>

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

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

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

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	<b>50</b>	55,660
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	<b>51</b> +	55,660
Add: Losses of other years deducted for federal purposes (fed.s.111)	<b>52</b> +	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	<b>53</b> -	
	=	<b>55,660</b> ▶ <b>54</b> 55,660
Federal Business limit for the year before application of fed.s.125(5.1) (not exceeding \$200,000) ( <i>Attach T2 SCH 23 if associated</i> )	<b>55</b> +	<b>50,411</b>
<b>Income eligible for the IDSBC</b> From <b>30</b> <b>100.0000</b> % X	<b>56</b>	55,660
*Ontario Allocation	Least of <b>50, 54</b> or <b>45</b>	<b>60</b> = 55,660

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

Add: Ontario enhancement of federal business limit

**Number of days in Taxation Year**

	Days from	above	Total Days	From		
40,000 X			<u>73 92</u>	X 55	50,411	÷200,000 <b>42+</b>
80,000 X	<u>92</u>		<u>73 92</u>	X 55	50,411	÷200,000 <b>43+</b> 20,164
120,000 X			<u>73 92</u>	X 55	50,411	÷200,000 <b>46+</b>
Ontario enhancement of federal business limit					<b>42 + 43 + 46</b>	= 20,164

**Business Limit for Ontario purposes 55 + 44**

$$\begin{array}{r}
 44 + \quad 20,164 \\
 \hline
 = \quad 70,575 \quad \blacktriangleright \quad 45 \quad \boxed{70,575}
 \end{array}$$

**Number of Days in Taxation Year**

Days after Dec 31, 1999 and before Oct 1, 2001 Total Days

**Calculation of IDSBC Rate**

	7.5% X <b>76</b>	÷ <b>73</b>	92	<b>77</b> +	
					Days after Sept 30, 2001 and before Jan 1, 2003 <span style="float:right">Total Days</span>
	6.5 % X <b>28</b>	92 ÷ <b>73</b>	92	<b>79</b> +	6.5000
					Days after Dec 31, 2002 and before Jan 1, 2004 <span style="float:right">Total Days</span>
	5.5 % X <b>31</b>	÷ <b>73</b>	92	<b>89</b> +	

**IDSBC Rate for Taxation Year 77 + 79 + 89**

	From <b>60</b>	55,660 X	From <b>78</b>	6.5000 %	<b>70</b> = <b>3,618</b>
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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.

<b>** Taxable income of the corporation</b>	From <b>10</b> (or <b>20</b> if applicable)	<b>80</b> +	220,825
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**If you are a member of an associated group (1)** **81**  (Yes)

Taxable income of associated corporations ( <i>Attach schedule</i> )	<b>82</b> +	
Aggregate Taxable Income	<b>85</b> =	220,825

**Number of days in Taxation Year**

	Days before Jan 1, 2001		Total Days			
Subtract: 200,000 X <b>558</b>		÷	<b>73</b>	92 =	<b>111</b> +	
	Days after Dec 31, 2000 and before Oct 1, 2001		Total Days			
240,000 X <b>26</b>		÷	<b>73</b>	92 =	<b>112</b> +	
	Days after Sept 30, 2001 and before Jan 1, 2003		Total Days			
280,000 X <b>28</b>	92 ÷		<b>73</b>	92 =	<b>113</b> +	280,000
	Days after Dec 31, 2002 and before Jan 1, 2004		Total Days			
320,000 X <b>31</b>		÷	<b>73</b>	92 =	<b>115</b> +	
			<b>111 + 112 + 113 + 115</b>	=	<b>280,000</b>	<b>114</b> - 280,000

(If negative, enter nil)

	<b>86</b> =	
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**Number of Days in Taxation Year**

Days after Dec 31, 1999 and before Oct 1, 2001 Total Days

**Calculation of Specified Rate for Surtax**

	5.0% X <b>76</b>	÷ <b>73</b>	92	<b>93</b> +	
					Days after Sept 30, 2001 and before Jan 1, 2003 <span style="float:right">Total Days</span>
	4.333% X <b>28</b>	92 ÷ <b>73</b>	92	<b>95</b> +	4.3330
					Days after Dec 31, 2002 and before Jan 1, 2004 <span style="float:right">Total Days</span>
	3.667% X <b>31</b>	÷ <b>73</b>	92	<b>96</b> +	

**Specified rate of surtax for Taxation Year 93 + 95 + 96**

	From <b>86</b>	X	From <b>94</b>	4.3330 % =	<b>87</b> =
	From <b>87</b>	X	From <b>60</b>	55,660 ÷ From <b>114</b>	<b>88</b> =
				280,000	

**Surtax: Lesser of 70 or 88**

	<b>100</b> =	
--	--------------	--

**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 - 55,660

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 + 55,660

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From 56 - 55,660

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** \_\_\_\_\_ ÷ **73** 92 = **153+** \_\_\_\_\_  
Days before Oct 1, 2001      Total Days  
 \*Ontario Allocation

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

**Claim 143** \_\_\_\_\_ X From 30 100.0000 % 1.0% X **31** \_\_\_\_\_ ÷ **73** 92 = **155+** \_\_\_\_\_  
Days after Dec 31, 2002 and before Jan 1, 2004      Total Days  
 \*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 electricity, has not yet received legislative authority at the time of printing. (Refer to Guide.)

**Credit for Foreign Taxes Paid (s.40)**

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

170

**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

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

190 = **3,340**

---



**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**Eligible Credit from **6598** Summary Schedule G **194** **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=** 3,340To 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+ 5,064,494  
 \* **Total Revenue of the corporation** 241+ 8,249,726

**If you are a member of an associated group (1)** 242  (Yes)

Total Assets of associated corporations (*Attach schedule*) 243+ 101,876  
 Total Revenue of associated corporations (*Attach schedule*) 244+ 3,378  
 Aggregate Total Assets 249= 5,166,370  
 Aggregate Total Revenue 250= 8,253,104

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 22,999 X From **30** 100.0000 % X 4% 276= 920  
 If negative, enter zero Ontario Allocation  
 Subtract: Foreign Tax Credit for CMT purposes (*Attach schedule*) 277-  
 Subtract: Income Tax From **190-** 3,340  
**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+** 3,340  
 Gross CMT payable From **276+** 920  
 Subtract: Foreign Tax Credit for CMT purposes From **277-**  
 If **276 - 277** is negative, enter NIL in **290** = 920 ▶ **290-** 920  
**Income Tax eligible for CMT Credit** **300=** 2,420

**B.** Income Tax (after deduction of specified credits) From **230+** 3,340  
 Subtract: CMT credit used to reduce income taxes **310-**  
**Income Tax** **320=** 3,340

Transfer to Page 18

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

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

**Capital Tax** (Refer to Guide)

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

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

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

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

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

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

**Paid-up Capital**

Paid-up capital stock	350+	10,000
Retained earnings (if deficit, deduct)	351±	2,098,170
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	352+	553,783
Loans and advances (Attach schedule)	353+	1,700,000
Bank loans	354+	
Bankers acceptances	355+	
Bonds and debentures payable	356+	
Mortgages payable	357+	
Lien notes payable	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 corporation tax)	359+	
Contingent, investment, inventory and similar reserves	360+	
Other reserves not allowed as deductions for income tax purposes (Attach schedule)	361+	
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s))	362+	
<b>Subtotal</b>	<b>370=</b>	<b>4,361,953</b>
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.)	371-	
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	372-	
<b>Total Paid-up Capital</b>	<b>380=</b>	<b>4,361,953</b>
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	381-	
<b>Net Paid-up Capital</b>	<b>390=</b>	<b>4,361,953</b>

**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+	
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	407+	24,000
<b>Total Eligible Investments</b>	<b>410=</b>	<b>24,000</b>

**Total Assets**

Total Assets per balance sheet	420+	5,064,494
Mortgages or other liabilities deducted from assets	421+	
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	422+	
Subtract: Investment in partnership(s)/joint venture(s)	423-	
<b>Total Assets as adjusted</b>	<b>430=</b>	<b>5,064,494</b>
Amounts in <b>360</b> and <b>361</b> (if deducted from assets)	440+	
Subtract: Amounts in <b>371</b> , <b>372</b> and <b>381</b>	441-	
Subtract: Appraisal surplus if booked	442-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443±	
<b>Total Assets</b>	<b>450=</b>	<b>5,064,494</b>

<b>Investment Allowance</b> $(410 \div 450) \times 390$	<b>Not to exceed 410</b>	<b>460</b>	<b>20,671</b>
<b>Taxable Capital</b> $390 - 460$		<b>470</b>	<b>4,341,282</b>

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)			
Gross Revenue of the corporation		8,249,726	
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue ( <i>Attach schedule</i> )			
Aggregate of Gross Revenue		8,249,726	<b>480</b> 8,249,726
<b>Total Assets</b> (as adjusted)		From <b>430</b>	<b>5,064,494</b>

**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:**  
 From **470** \_\_\_\_\_ Days in taxation year  
 (\$2,800,000 - \_\_\_\_\_) x 0.75% = **493** - \_\_\_\_\_ (NIL if negative) 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:**  
 From **470** \_\_\_\_\_ Days in taxation year  
 (\$3,200,000 - \_\_\_\_\_) x 0.5% = **495** - \_\_\_\_\_ (NIL if negative) 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 \_\_\_\_\_ Days in taxation year after September 30, 2001  
 = **471** \_\_\_\_\_ x From **30** \_\_\_\_\_ x 0.3% x **560** \_\_\_\_\_ = **523** + \_\_\_\_\_  
 Ontario Allocation \*\*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 (1) 510  (Yes)

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

Taxable Capital of the corporation From 470+ 4,341,282

**Calculation 1**

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

Taxable Capital of associated corporations ( <i>Attach schedule</i> )	531 +	101,876
Aggregate Taxable Capital 470 + 531	540 =	4,443,158

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 4,341,282 ÷ From 540 4,443,158 X 5,000,000 541 = 4,885,356  
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 ( <i>Attach schedule</i> )	514 +	
Total Aggregate Taxable Capital 540 + 514	520 =	4,443,158

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:**

	From 520	From 521		
(\$2,800,000 - _____)	x 0.75%	x _____	= 493 - _____	
		(506 = 490 - 493)	506 = _____	
			x 30 _____ % x	
			Ontario Allocation	
				Days in taxation year after Dec 31, 1999 and before Jan 1, 2001
				553 _____ = 507 + _____
				**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:**

	From 520	From 521		
(\$3,200,000 - _____)	x 0.5%	x _____	= 495 - _____	
		(509 = 490 - 495)	509 = _____	
			x 30 _____ % x	
			Ontario Allocation	
				Days in taxation year after Dec 31, 2000 and before Oct 1, 2001
				557 _____ = 522 + _____
				**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 4,341,282 x From 30 100.0000 x 0.3% x 555 \_\_\_\_\_ = 502 + \_\_\_\_\_

Ontario Allocation 365/366

Days in taxation year  
before Oct. 1, 2001

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

(b) + From 470 4,341,282  
- From 541 4,885,356  
471 \_\_\_\_\_ x From 30 100.0000 x 0.3% x 560 92 = 523 + \_\_\_\_\_

Ontario Allocation 365/366

Days in taxation year  
after September 30, 2001 =

**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

**Capital Tax before application of specified credits** **543 =**

Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide) **546 -**

**Capital Tax: 543 - 546** **550 =**

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.)*

<b>565</b>	<u>                    </u>	x 0.6%	x From	<b>30</b>	<u>                    </u>	100.0000 % x	<b>555</b>	<u>                    </u>	<b>92</b>	÷ **365/366 = <b>569</b> +	<u>                    </u>
	Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1				Ontario Allocation				Days in taxation year		

<b>570</b>	<u>                    </u>	x <b>571</b>	x From	<b>30</b>	<u>                    </u>	100.0000 % x	<b>555</b>	<u>                    </u>	<b>92</b>	÷ **365/366 = <b>574</b> +	<u>                    </u>
	Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount	Capital Tax Rate <i>(Refer to Guide)</i>			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 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)? (1)  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± 55,660  
*Transfer to Page 16*

**Add:**

Federal capital cost allowance	601 +	41,742
Federal cumulative eligible capital deduction	602 +	367
Ontario taxable capital gain	603 +	
Federal non-allowable reserves. Balance beginning of year	604 +	
Federal allowable reserves. Balance end of year	605 +	
Ontario non-allowable reserves. Balance end of year	606 +	
Ontario allowable reserves. Balance beginning of year	607 +	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608 +	
Federal resource allowance	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  
May 1, 2000 and  
before Jan 1, 2001      Total days

612 \_\_\_\_\_ X 5/14.5 X 24 \_\_\_\_\_ ÷ 73 \_\_\_\_\_ 92 = + 631 \_\_\_\_\_

Days after Dec 31, 2000  
and before Oct. 1, 2001      Total days

612 \_\_\_\_\_ X 5/14.0 X 26 \_\_\_\_\_ ÷ 73 \_\_\_\_\_ 92 = + 632 \_\_\_\_\_

Days after Sept. 30, 2001  
and before Jan. 1, 2003      Total days

612 \_\_\_\_\_ X 5/12.5 X 28 \_\_\_\_\_ 92 ÷ 73 \_\_\_\_\_ 92 = + 633 \_\_\_\_\_

Days after Dec. 31, 2002  
and before Jan. 1, 2004      Total days

612 \_\_\_\_\_ X 5/11.0 X 31 \_\_\_\_\_ ÷ 73 \_\_\_\_\_ 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 ( <i>Attach schedule</i> )	614 +	
<b>Sub Total of Additions 601 to 615 + 620</b>	<b>=</b>	<b>42,109 640</b>

42,109  
*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 <b>600</b> ±	55,660
Sub Total of Additions	From <b>640</b> =	42,109

**Deduct:**

Ontario capital cost allowance	<b>650</b> +	41,742
Ontario cumulative eligible capital deduction	<b>651</b> +	367
Federal taxable capital gain	<b>652</b> +	
Ontario non-allowable reserves. Balance beginning of year	<b>653</b> +	
Ontario allowable reserves. Balance end of year	<b>654</b> +	
Federal non-allowable reserves. Balance end of year	<b>655</b> +	
Federal allowable reserves. Balance beginning of year	<b>656</b> +	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) <i>(Retain calculations. Do not submit.)</i>	<b>657</b> +	
Ontario depletion allowance	<b>658</b> +	
Ontario resource allowance	<b>659</b> +	
Ontario research and development super allowance <i>(Attach schedule)</i>	<b>660</b> +	
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	<b>674</b> +	
Ontario current cost adjustment <i>(Attach schedule)</i>	<b>661</b> +	
Ontario Scientific Research Expenses claimed in year from Ont form CT161	<b>679</b> +	

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

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

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

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

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 made within the 3 year period commencing after May 4, 1999.) (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** + \_\_\_\_\_

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

<b>Sub Total of Deductions 650 to 660 + 674 + 661 + 679 + 663 + 666 + 668 + 671 + 673 + 678 + 664</b>	=	42,109 <b>680</b>	42,109
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<b>Net income (loss) for Ontario purposes 600 + 640 - 680</b>	<b>690</b> =	55,660
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Transfer to Page 4

**Continuity of Losses Carried Forward**

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	700 (2) 35,355	710 (2)	720 (2)	730	740	750
<b>Add:</b>	701	711	721	731	741	751
Current year's losses (7)						
Losses from predecessor corporations (3)	702	712	722	732		752
	703	713	723	733	743	753
<b>Subtotal</b>						
<b>Subject:</b>	704	715 (4)	724	734 (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	705		725	735	745	
Expired during the year						
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	
	707	717	727	737	747	757
<b>Subtotal</b>						
<b>Balance at End of Year</b>	709 35,355	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	824	834	844	857	877
808 2001/09/30	825 35,355	835	845	858	878
809 2001/12/31	826	836	846	859	879
<b>Total</b>	<b>829 35,355</b>	<b>839</b>	<b>849</b>	<b>869</b>	<b>889</b>

# 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
<b>Total amount of loss</b>	910	920	930	940
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
<b>Predecessor Corporation's Account No. (MOF)</b>	<b>Taxation Year Ending</b>			
i) 3rd preceding <span style="float: right;">901</span>		921	931	941
ii) 2nd preceding <span style="float: right;">902</span>		922	932	942
iii) 1st preceding <span style="float: right;">903</span> 2001/09/30		923	933	943
<b>Total loss to be carried back</b>	From 706	From 716	From 726	From 736
<b>Balance of loss available for carryforward</b>	919	929	939	949

## Summary

<b>Income Tax</b>	From 230 or 320 +	3,340
<b>Corporate Minimum Tax</b>	From 280 +	
<b>Capital Tax</b>	From 550 +	
<b>Premium Tax</b>	From 590 +	
<b>Total Tax Payable</b>	950 =	3,340
<b>Subtract:</b>		
<b>Payments</b>	960 -	10,500
<b>Capital Gains Refund (s.48)</b>	965 -	
<b>Qualifying Environmental Trust</b>		
<b>Tax Credit (Refer to Guide)</b>	985 -	
<b>Specified Tax Credits (Refer to Guide)</b>	955 -	
<b>Balance</b>	970 =	(7,160)
<b>If payment due</b>	Enclosed * 990	
<b>If overpayment: Refund</b>	975 =	7,160
<b>Apply to</b>	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.

## 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		
NICOLE LEDUC		
Title		
Manager		
Full Residence Address		
City		
Province	Country	Postal Code
Signature		Date
		2011/09/14

**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± 233,730

**Subtract (to the extent reflected in net income/loss):**

Provision for recovery of income taxes	2101 +	
Provision for deferred income taxes (credits)	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 after May 5, 1997, under fed.s.191.1(1) x 9/4 =	2108 +	
<b>Subtotal</b>	<b>=</b>	<b>▶ 2109 -</b>

**Add (to extent reflected in net income/loss):**

Provision for current taxes	2110 +	11,115
Provision for deferred income taxes (debits)	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. <b>Applies</b> to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	2114 +	
<b>Subtotal</b>	<b>=</b>	<b>▶ 2115 + 11,115</b>

**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) 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± (183,634)

**Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130** 2131 = 61,211

\*\* Share of partnership(s)/joint venture(s) **adjusted** net income/loss (Attach schedule) 2132±

**Adjusted net income (loss)** (if loss, transfer to 2202 in Schedule B) 2133 = 61,211

Deduct: CMT losses: pre-1994 Loss *	From 2210 +	
CMT losses: other eligible losses *	2211 +	38,212
	<b>=</b>	<b>▶ 2134 - 38,212</b>

\* CMT losses applied cannot exceed adjusted net income or increase a loss

\*\* Retain calculations. Do not submit with this tax return.

**CMT Base** 2135 = 22,999

Transfer to CMT Base on page 8

OS4N  
Schedule 4

# Ontario non-capital loss continuity

## 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
2001/09/30	35,355						35,355
2001/12/31							
Totals	35,355						35,355

### Current year non-capital loss

Net income (loss) for Ontario tax purposes		55,660
<b>Deduct:</b>		
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		
	Subtotal - if positive, enter "0"	
<b>Deduct:</b> Section 110.5 - addition for foreign tax credits		
<b>Add:</b> Current year farm loss		
<b>Current year non-capital loss</b> (if positive, enter "0")		

### Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year	35,355	
Losses expired after 7 years	-	
Non-capital losses - beginning balance	= 35,355	35,355
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year non-capital loss from above		
<b>Deduct - Non-capital loss carry back to:</b>		
1st preceding taxation year against taxable income		
2nd preceding taxation year against taxable income		
3rd preceding taxation year against taxable income		
Current year non-capital loss net of carryback		+
	Subtotal	= 35,355
<b>Deduct:</b>		
Amount applied against taxable income (enter on line 704 of the CT23)		
Section 80 adjustments		
Other adjustments		
Non-capital losses - ending balance		= 35,355





OS4N  
Schedule 4

# Ontario non-capital loss continuity

## 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
2001/09/30							
2001/12/31							
Totals							

### Current year restricted farm loss

Net loss from farming business		
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	-	
Restricted farm losses - beginning balance	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year restricted farm loss		
<b>Deduct - Restricted farm loss carry back to:</b>		
1st preceding taxation year against farming income		
2nd preceding taxation year against farming income		
3rd preceding taxation year against farming income		
Current year restricted farm loss net of carry-back		+
<b>Deduct:</b>		
Amount applied against taxable income (enter on line 734 of the CT23)		
Section 80 adjustments		
Other adjustments		
Restricted farm losses - ending balance		=

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name <b>HEARST POWER DISTRIBUTION COMPANY LIMITED</b>	Ontario Corporations Tax Account No. (MOF) <b>7334207</b>	Taxation Year End <b>2001/12/31</b>
--	--	--

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	139,463				139,463		139,463	4			1,406	138,057
2	1,082,605	16,018			1,098,623	8,009	1,090,614	6			16,494	1,082,129
8	288				288		288	20			15	273
10	17,014	11,600			28,614	5,800	22,814	30			1,725	26,889
8	31,414	3,902			35,316	1,951	33,365	20			1,682	33,634
10	167,494				167,494		167,494	30			12,665	154,829
36	7,600				7,600		7,600					7,600
12		61,533			61,533	30,767	30,766	100			7,755	53,778
<b>Totals</b>	<b>1,445,878</b>	<b>93,053</b>				<b>46,527</b>	<b>1,492,404</b>				<b>41,742</b>	<b>1,497,189</b>

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.

Corporation's Legal Name HEARST POWER DISTRIBUTION COMPANY LIMITED	Ontario Corporations Tax Account No. (MOF) 7334207	Taxation Year End 2001/12/31
---	---	---------------------------------

- 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)				1,696	A
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	+	25,471	B		
Amount transferred on amalgamation or wind-up of subsidiary	+		C		
Other adjustments	+		D		
<b>Total of B + C + D</b>	=	25,471	x 3/4 =	19,103	E
<b>Subtotal A + E</b>	=			20,799	F
<b>Deduct:</b> 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 <i>Income Tax Act</i> (Canada)	+		H		
Other adjustments	+		I		
<b>Total of G + H + I</b>	=		x 3/4 =		J
<b>Ontario cumulative eligible capital balance F - J</b>	=			20,799	K

If K is negative, enter zero at line M and proceed to Part 2

**Current year deduction** 20,799 K x 7%\* = 367 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)** = 20,432 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	
<b>Total lines 1 + 2 + 5</b>				6	
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000				7	
Deduct line 7 from line 6					O
<b>N - O (cannot be negative)</b>					P
Amount on line 5 x 1/2					Q
<b>P - Q</b>					R
Amount on line R x 66.6667					S
Lesser of line N or line O					T
<b>Amount to be included in income S + T</b>					

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

# Details of Associated Ontario Corporations

Names of associated corporations (Canadian and foreign)	Permanent establishment in Canada?	Ontario Account Number	Taxation Year End
HEARST POWER SALES AND SERVICES COM	Yes	1800108	2001/12/31

Names of associated corporations	Surtax on CCPCs Taxable income	Corporate Minimum Tax		Capital Tax Taxable Capital
		Total Assets	Total Revenue	
HEARST POWER SALES AND SERVICES COM		101,876	3,378	101,876
Totals	0	101,876	3,378	101,876



**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 <b>HEARST POWER DISTRIBUTION COMPANY LIMITED</b>	Ontario Corporations Tax Account No. (MOF) <b>7334207</b>	Taxation Year End <b>2001/12/31</b>
--	--	--

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.

<b>Name of Associated Corporation (Must have a PE in Canada)</b>	<b>Corporations Tax Account No. (MOF) (if applicable)</b>	<b>Taxation Year End</b>	<b>Taxable Capital</b>
HEARST POWER SALES AND SERVICES COMPANY LIM	1800108	2001/12/31	101,876
Aggregate of taxable capital			101,876

Transfer to **540** of the CT23



Corporation's Legal Name <b>HEARST POWER DISTRIBUTION COMPANY LIMITED</b>	Ontario Corporations Tax Account No. (MOF) <b>7334207</b>	Taxation Year End <b>2001/12/31</b>
--	--	--

<b>Loans or Advances Credited or Advanced to Corporation</b> (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)	
Town of Hearst - demand loan	1,700,000
<b>Total</b>	<b>1,700,000</b>

*Transfer to 353 on the CT23*



Corporation's Legal Name <b>HEARST POWER DISTRIBUTION COMPANY LIMITED</b>	Ontario Corporations Tax Account No. (MOF) <b>7334207</b>	Taxation Year End <b>2001/12/31</b>
--	--	--

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
The Enerconnect Limited Partnership	0.7528	3,188,098	24,000
		<b>Total</b>	<b>24,000</b>

*Transfer to 407 on the CT23*



Corporation's Legal Name HEARST POWER DISTRIBUTION COMPANY LIMITED	Ontario Corporations Tax Account No. (MOF) 7334207	Taxation Year End 2001/12/31
---	---	---------------------------------

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
HEARST POWER SALES AND SERVICES COMPANY L	1800108	2001/12/31	101,876	3,378
<b>Totals</b>			101,876	3,378

*Transfer to 249  
of the CT23*

*Transfer to 250  
of the CT23*



OConsent

# 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

HEARST POWER DISTRIBUTION COMPANY LIMITED

Ontario Corporations Tax Account Number

7334207

## 2. Authorized third party identification

Authorized individuals' name

Address

Phone number

( ) -

Authorized firm's name

Collins Barrow

Address

1021 George street P.O.Box 637 Hearst, Ontario P0L 1N0

Phone number

(705) 362-4261

## 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)

NICOLE LEDUC

Name

(705) 372-2815

Telephone number

2011/09/14

Date signed

Manager

Signature of client or authorized signing officer

Position, office or rank



Ministry of Finance

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

CT23 - Certification Form Diskette
Filing

Corporations Tax Account Number
7334207

Return I.D. # (Ministry Use Only)

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 2000/11/02
Return for taxation year Start 2001/10/01 End 2001/12/31
CCRA Business No. 890534811RC0001
Jurisdiction Incorporated ONTARIO

Corporation's legal name and mailing address
HEARST POWER DISTRIBUTION COMPANY LIMITED
Care of

Change of information? Yes No [X]

Address
P.O. BAG 5000

City HEARST Province ON Country CA Postal code POL 1N0

Transmitter Details

Transmitter number
Transmitter name
Name of person to contact COLLINS BARROW
Telephone number (705) 362-4261
Facsimile number (705) 362-4641
Transmitter Address 1021 GEORGE STREET P.O. BOX 637 HEARST, ON POL 1N0

Table with 2 columns: Description, Amount. Rows include Aggregate of Total Revenue (210, 8,253,104), Aggregate of Total Assets (209, 5,166,370), Taxable Income (10, 55,660), Total Tax Payable (950, 3,340), Payments (990, 10,500).

Disk Reference Number
Apply to: Year
Apply Amount:
975 Refund: Yes [X] No [ ]
If Yes, Due to: Loss Carryback: Yes [ ] No [X], Overpayment: Yes [X] No [ ], 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 NICOLE LEDUC
Title Manager
Full Residence address
City
Province Country Postal code
Signature
Phone Number (705) 372-2815 Date 2011/09/14

Profile Version 2001.4.1.0 Approval code 0090



OInstalments

# Ontario tax instalments

## Instalment base

	Estimate for current year 2002/12/31	First instalment base 2001/12/31	Second instalment base 2001/09/30
Year-end			
Taxable income		55,660	
Base amount of tax		6,958	
Small business tax credit		3,618	
Surtax on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
<b>Income tax payable</b>		3,340	
Corporate minimum tax payable			
Capital tax payable			
Premium tax payable			
<b>Total tax payable</b>		3,340	
Days in taxation year	365	92	61
Tax payable adjusted for short taxation years		13,251	
Estimated tax credits for the current year			
Instalment base		13,251	
Monthly payment		1,104	
Quarterly payment		3,313	

## Instalment payment options

1. based on estimated taxes for the current year
  3. based on the first and second instalment base  
 2. based on the first 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	1,325		
2002/04/30	1,325		
2002/05/31	1,325		
2002/06/30	1,325		
2002/07/31	1,325		
2002/08/31	1,325		
2002/09/30	1,325		
2002/10/31	1,325		
2002/11/30	1,325		
2002/12/31	1,325		
Total	13,250		



**CORPORATION NOTICE OF ASSESSMENT**

Shawinigan-Sud QC G9N 7S6

0001643

Page 1 of 8

RE J Le  
03 JUIN 2003  
Rép.....

HEARST POWER DISTRIBUTION  
COMPANY LIMITED/CORPORATION DE  
925 ALEXANDRA STREET  
P O BAG 5000  
HEARST ON P0L 1N0

Date of mailing	June 2, 2003
Business Number	89053 4811 RC0001
Taxation year-end	December 31, 2002

**RESULTS**

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment :	\$	0.00
Prior balance:	\$	9,248.45
		=====
Total balance:	\$	9,248.45

We will not charge additional interest on the total balance shown if you pay the full amount by June 22, 2003.

Please refer to the Summary and Explanation for additional information.





CORPORATION NOTICE OF ASSESSMENT

HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DIS

Date of mailing June 2, 2003
Business Number 89053 4811 RC0001
Taxation year-end December 31, 2002

SUMMARY OF ASSESSMENT

	\$ Reported	\$ Assessed
<b>Federal Tax:</b>		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIV	0.00	0.00
		=====
<b>Total Federal Tax:</b>		\$ 0.00
		=====
	<b>Net balance:</b>	\$ 0.00
		=====
	<b>Result of this assessment:</b>	\$ 0.00
	<b>Prior balance:</b>	\$ 9,248.45
		=====
	<b>Total balance:</b>	\$ 9,248.45

Rob Wright  
Commissioner of Customs and Revenue

EXPLANATION

We have revised the taxable income for the purpose of the small business deduction to \$29,534.00, to correct a mathematical error.

We have revised the business limit to \$200,000.00, to agree with the amount allocated to the corporation on Schedule 23, "Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit."

If necessary, we have adjusted subsequent taxation years for carry-forward balances, interest, and balance due date.

Please visit our Web site at [www.ccra-adrc.gc.ca](http://www.ccra-adrc.gc.ca).

Did you know that electronic filing for corporation income tax returns is available? Please visit our Web site at <http://www.ccra-adrc.gc.ca/t2return/> or call us for more information.

If you require further information, contact:

Shawinigan-Sud Tax Centre  
4695, 12th Avenue  
Shawinigan-Sud QC G9N 7S6  
Phone (819) 537-5141  
Fax (819) 536-4486  
Toll-Free Long Distance Number 1-800-959-7405  
We accept collect calls.

Sudbury Tax Services Office  
1050 Notre Dame Avenue  
Sudbury ON P3A 5C1  
Toll-Free Long Distance Number 1-800-959-5525



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** 89053 4811 RC 0001

**Corporation's name** (item 12)  
**002** HEARST POWER DISTRIBUTION COMPANY 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** (item 13)  
Has the address changed since the last time we were notified? **010**  Yes  No

**011** P.O. BAG 5000  
**012** \_\_\_\_\_  
City Province, territory, or state  
**015** HEARST **016** ON  
Country (other than Canada) Postal code/Zip code  
**017** \_\_\_\_\_ **018** POL 1N0

**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

**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** P.O. BAG 5000  
**023** \_\_\_\_\_  
City Province, territory, or state  
**025** HEARST **026** ON  
Country (other than Canada) Postal code/Zip code  
**027** \_\_\_\_\_ **028** POL 1N0

**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

**Location of books and records** (item 15)

**031** P.O. BAG 5000  
**032** \_\_\_\_\_  
City Province, territory, or state  
**035** HEARST **036** ON  
Country (other than Canada) Postal code/Zip code  
**037** \_\_\_\_\_ **038** POL 1N0

**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** \_\_\_\_\_

Do not use this area

<b>091</b>	<b>092</b>	<b>093</b>	<b>094</b>	<b>095</b>	<b>096</b>
<b>097</b>					

Guide item	Attachments	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 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 <i>Income Tax Regulations</i> ?	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	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	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?	<b>252</b>	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	<b>253</b>	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?	<input type="checkbox"/>	T1146
- Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174

**Additional information**

Is the corporation inactive? (item 48)	<b>280</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	<b>281</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (item 50) (Only complete if yes was entered at line 281.)	<b>282</b>		
If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51)	<b>283</b>	1 Wholesale <input type="checkbox"/>	2 Retail <input checked="" type="checkbox"/>
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)	<b>284</b>	<b>ELECTRICAL UTILITY</b>	<b>285</b> 100.000 %
	<b>286</b>		<b>287</b> %
	<b>288</b>		<b>289</b> %
Did the corporation immigrate to Canada during the taxation year? (item 53)	<b>291</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year? (item 54)	<b>292</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)	<b>300</b>	29,534	A
<b>Deduct:</b> Charitable donations from Schedule 2 (item 78)	<b>311</b>		
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	<b>312</b>		
Cultural gifts from Schedule 2 (item 80)	<b>313</b>		
Ecological gifts from Schedule 2 (item 81)	<b>314</b>		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	<b>320</b>		
Part VI.1 tax deduction from Schedule 43 (item 83)*	<b>325</b>		
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	<b>331</b>		
Net capital losses of preceding taxation years from Schedule 4 (item 85)	<b>332</b>		
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	<b>333</b>		
Farm losses of prior taxation years from Schedule 4 (item 87)	<b>334</b>		
Limited partnership losses of prior years from Schedule 4 (item 88)	<b>335</b>		
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	<b>340</b>		
Prospector's and grubstaker's shares (item 90)	<b>350</b>		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")		29,534	C
<b>Add:</b> Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	<b>355</b>		D
<b>Taxable income</b> (amount C plus amount D) (item 92)	<b>360</b>	29,534	
Income exempt under paragraph 149(1)(t) (item 93)	<b>370</b>		
<b>Taxable income</b> 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 29,534 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	365	=	200,000	1
	Number of days in the taxation year	365			
\$225,000 x	Number of days in the taxation year in 2003		=		2
	Number of days in the taxation year	365			
\$250,000 x	Number of days in the taxation year in 2004		=		3
	Number of days in the taxation year	365			
	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 \_\_\_\_\_ = \_\_\_\_\_ E  
11,250

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	<u>Number of days in the taxation year in 2001</u>	_____		
			Number of days in the taxation year	365	x 1% =	_____
Amount J	_____	x	<u>Number of days in the taxation year in 2002</u>	_____		
			Number of days in the taxation year	365	x 3% =	_____
Amount J	_____	x	<u>Number of days in the taxation year in 2003</u>	_____		
			Number of days in the taxation year	365	x 5% =	_____
Amount J	_____	x	<u>Number of days in the taxation year after 2003</u>	_____		
			Number of days in the taxation year	365	x 7% =	_____
<b>General tax reduction for Canadian-controlled private corporations - total of amounts K, L, M and N</b>					_____	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	<u>Number of days in the taxation year in 2001</u>	_____		
			Number of days in the taxation year		x 1% =	_____
Amount G	_____	x	<u>Number of days in the taxation year in 2002</u>	_____		
			Number of days in the taxation year		x 3% =	_____
Amount G	_____	x	<u>Number of days in the taxation year in 2003</u>	_____		
			Number of days in the taxation year		x 5% =	_____
Amount G	_____	x	<u>Number of days in the taxation year after 2003</u>	_____		
			Number of days in the taxation year		x 7% =	_____
<b>General tax reduction - total of amounts H, I, J and K</b>					_____	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 **440** X 26 2/3 % = \_\_\_\_\_ A

(Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 \_\_\_\_\_

**Deduct:**

Foreign investment income **445** X 9 1/3 % = \_\_\_\_\_ B

(Amount O from Part 1 of Schedule 7) (if negative, enter "0") \_\_\_\_\_

Amount A **minus** amount B (if negative, enter "0") \_\_\_\_\_ C

Taxable income from line 360 on page 3 \_\_\_\_\_ 29,534

**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 = \_\_\_\_\_

29,534 X 26 2/3% = 7,876 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**

<b>Base amount of Part I tax</b> - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106)	<b>550</b>	0	A
<b>Corporate surtax calculation</b> (item 107)			
Base amount from line A above	1		
<b>Deduct:</b>			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	2,953	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	2,953	7	
Net amount (line 1 minus line 7)		8	
<b>Corporate surtax</b> - 4% of the amount on line 8	<b>600</b>		B
Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108)	<b>602</b>		C
<b>Calculation for the refundable tax on Canadian-controlled private corporation's investment income</b> (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	29,534		
<b>Deduct:</b>			
The least of amounts on lines 400, 405, 410, and 425 on page 4			
Net amount	29,534	ii	
<b>Refundable tax on CCPC's investment income</b> - 6 2/3 % of the lesser of amounts i or ii	<b>604</b>		D
Subtotal (add lines A, B, C, and D)			E
<b>Deduct:</b>			
Small business deduction from line 430 on page 4		9	
Federal tax abatement (item 110)	<b>608</b>		
Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111)	<b>616</b>		
Investment corporation deduction (item 112)	<b>620</b>		
(Taxed capital gains <b>624</b> )			
Additional deduction - credit unions from Schedule 17 (item 113)	<b>628</b>		
Federal foreign non-business income tax credit from Schedule 21 (item 114)	<b>632</b>		
Federal foreign business income tax credit from Schedule 21 (item 115)	<b>636</b>		
Accelerated tax reduction from amount N of page 4 (item 116)	<b>637</b>		
General tax reduction for CCPC's from amount O of page 5 (item 117)	<b>638</b>		
General tax reduction from amount L of page 5 (item 117)	<b>639</b>		
Federal logging tax credit from Schedule 21 (item 118)	<b>640</b>		
Federal political contribution tax credit (item 119)	<b>644</b>		
Federal political contributions	<b>646</b>		
Federal qualifying environmental trust tax credit (item 120)	<b>648</b>		
Investment tax credit from Schedule 31 (item 121)	<b>652</b>		
Subtotal			F
<b>Part I tax payable</b> - 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) <b>750</b> 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 <span style="float: right;">0 A</span>

**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 <b>815</b>	815	
Tax remitted under Syncrude Remission Order (item 158)	816	
Tax instalments paid (item 159)	840	
Total credits		890 <span style="float: right;">B</span>

Refund Code <b>894</b> (item 160)	Overpayment (item 163)	Balance (line A minus line B)	0 <span style="float: right;">I</span>
-----------------------------------	------------------------	-------------------------------	--

**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.

<input type="checkbox"/> Start	<input type="checkbox"/> Change information	<b>910</b>
		Branch number
<b>914</b>	<b>918</b>	
Institution number	Account number	

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

<b>950</b> LEDUC	<b>951</b> NICOLE	<b>954</b> Manager
Surname	First name	Position, office or rank
<b>955</b> 2011/09/14	<b>956</b> (705) 372-2815	
Date	Telephone number	
Is the contact person the same as the authorized signing officer? If <i>no</i> , complete the information below. <b>957</b> 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/>		
<b>958</b>	<b>959</b> ( ) -	
Name	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** 82,037

**Add:**

Provision for income taxes - current	<b>101</b>	6,176	
Amortization of tangible assets	<b>104</b>	172,927	
Total of fields 201 to 294	<b>199</b>	2,722	
Total of fields 101 to 199	<b>500</b>	181,825	▶ <u>181,825</u>

**Deduct:**

Capital cost allowance - Schedule 8	<b>403</b>	232,898	
Cumulative eligible capital deduction - Schedule 10	<b>405</b>	1,430	
Total of fields 401 to 499	<b>510</b>	234,328	▶ <u>234,328</u>

**Net income (loss) for income tax purposes** (enter on line 300 of the T2 return) 29,534

**Add:**

**Other additions:**

<b>602</b> Statement of partnership interest T5013 - net business income	<b>292</b>	2,722	
Total of fields 201 to 294 (Enter this amount at line 199)		<u>2,722</u>	



**CAPITAL COST ALLOWANCE**

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

1 Class <b>200</b>	2 UCC at start of year <b>201</b>	3 Cost of additions in the year <b>203</b>	4 Net adjustments <b>205</b>	5 Proceeds of dispositions in the year <b>207</b>	7 Adjustment for additions (1/2 x (col 3 - 5)) <b>211</b>	8 Base amount for CCA	9 Rate % <b>212</b>	10 CCA for the year (col 8 x 9 or a lower amount) <b>217</b>	11 Recapture of CCA <b>213</b>	12 Terminal loss <b>215</b>	13 UCC at the end of the year <b>220</b>
1	138,057					138,057	4	5,522			132,535
2	1,082,129	19,838			9,919	1,092,048	6	65,523			1,036,444
8	273					273	20	55			218
10	26,889	13,435			6,718	33,606	30	10,082			30,242
8	33,634	15,814			7,907	41,541	20	8,308			41,140
10	154,829					154,829	30	46,449			108,380
36	7,600					7,600					7,600
12	53,778	86,363			43,182	96,959	100	96,959			43,182
<b>Totals</b>	1,497,189	135,450			67,726	1,564,913		232,898			1,399,741





**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)		<b>200</b>	20,432	A
<b>Add:</b>				
Cost of eligible capital property acquired during the taxation year	<b>222</b>			B
Transfer from predecessor or subsidiary corporation	<b>224</b>			C
Other adjustments	<b>226</b>			D
(add amounts B, C, and D)				x 3/4 =
		<b>230</b>	20,432	E
				<b>F</b>
<b>Deduct:</b>				
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	<b>242</b>			G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	<b>244</b>			H
Other adjustments	<b>246</b>			I
(add amounts G, H, and I)				x 3/4 =
		<b>248</b>		J
<b>Cumulative eligible capital balance</b> (amount F minus amount J)			20,432	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)				
<b>Current year deduction</b>	amount K	20,432	x 7% =	<b>250</b>
				1,430
(Deduct amount L on line 405 of Schedule 1)				
<b>Cumulative eligible capital balance at the end of the taxation year</b>		<b>300</b>	19,002	M
<b>Note:</b> 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	<b>400</b>	1
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)	<b>401</b>	2
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	<b>402</b>	3
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	<b>408</b>	4
Line 3 minus line 4		5
Total of lines 1, 2, and 5		6
Line T from schedule 10 of previous taxation years ending after February 27, 2000	<b>409</b>	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	<b>410</b>	

\* 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



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

## 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	2 Business Number	3 Association code	4 Allocation of business limit *	5 Year end to which this agreement applies
<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>
HEARST POWER DISTRIBUTION COMPANY LIMITED	89053 4811 RC 0001	1	200,000	
HEARST POWER SALES AND SERVICES COMPANY LIMITE	86368 9998 RC 0001	1		
	RC	0		
<b>TOTALS</b>			<b>\$ 200,000</b>	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box. \$ 200,000

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
HEARST POWER DISTRIBUTION COMPANY LIMITED	55,660	55,660	50,411		
HEARST POWER SALES AND SERVICES COMPANY LIMITED					
<b>TOTALS</b>	<b>\$ 55,660</b>	<b>\$ 55,660</b>	<b>\$ 50,411</b>	<b>\$</b>	<b>\$</b>

\* 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).



## 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 <b>100</b>	Business Number * <b>200</b>	Social Insurance Number * <b>300</b>	Percentage common shares <b>400</b>	Percentage preferred shares <b>500</b>
The Corporation of the Town of Hearst	10812 7051 RC 0001		100.000	
	RC			

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

**BALANCE SHEET INFORMATION****Schedule 100**

<b>Assets</b>	<b>Code</b>	<b>Amount</b>
Cash and deposits	<b>1000</b>	2,341,379
Accounts Receivable	1060	1,874,929
Inventories	1120	110,610
Taxes recoverable / refundable	1483	36,352
Prepaid expenses	1484	12,370
Land	1600	10,032
Buildings	1680	185,770
Machinery, equipment, furniture and fixtures	1740	535,652
Motor vehicles	1742	441,136
Computer equipment / software	1774	85,829
Goodwill	2012	116,726
Long term investments	2300	24,000
<b>Total assets</b>	<b>2599</b>	<b>5,774,785</b>

<b>Liabilities</b>	<b>Code</b>	<b>Amount</b>
Bank overdraft	<b>2600</b>	
Amounts payable and accrued liabilities	2620	1,330,795
Long term debt	3140	1,700,000
<b>Total liabilities</b>	<b>3499</b>	<b>3,030,795</b>

<b>Equity</b>	<b>Code</b>	<b>Amount</b>
Common shares	<b>3500</b>	10,000
Contributed and other surplus	3540	553,783
Retained earnings / deficit	<b>3600</b>	2,180,207
<b>Total equity</b>	<b>3620</b>	<b>2,743,990</b>
<b>Total liabilities and equity</b>	<b>3640</b>	<b>5,774,785</b>

<b>Retained earnings</b>	<b>Code</b>	<b>Amount</b>
Retained earnings/deficit-start	<b>3660</b>	2,098,170
Net income / loss	<b>3680</b>	82,037
<b>Total retained earnings</b>	<b>3849</b>	<b>2,180,207</b>

**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	<b>8000</b>	9,166,835
Total sales of goods and services	<b>8089</b>	9,166,835
Investment revenue	8090	76,921
Other revenue	8230	60,955
Total revenue	<b>8299</b>	9,304,711

Cost of sales	Code	Amount
Opening inventory	<b>8300</b>	
Purchases / cost of materials	8320	8,525,627
Cost of sales	<b>8518</b>	8,525,627
Gross profit / loss (item 8089 - item 8518)	<b>8519</b>	641,208

Operating expenses	Code	Amount
Advertising and promotion	8520	1,093
Employee benefits	8620	37,942
Amortization of tangible assets	8670	172,927
Interest and bank charges	8710	20,911
Office expenses	8810	22,921
Rental	8910	4,245
Repairs and maintenance	8960	113,085
Salaries and wages	9060	121,657
Sub-contracts	9110	34,063
Supplies	9130	140,457
Other expenses	9270	21,570
Total operating expenses	<b>9367</b>	690,871
Total expenses	<b>9368</b>	9,216,498
Net non-farming income	<b>9369</b>	88,213

Farming revenue	Code	Amount
Grains and oilseeds	<b>9370</b>	
Total farm revenue	<b>9659</b>	

Farming expenses	Code	Amount
Crop expenses	<b>9660</b>	
Total farm expenses	<b>9898</b>	
Net farm income	<b>9899</b>	
Net income / loss before taxes and extraordinary items	<b>9970</b>	88,213

**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 -	6,176
Deferred income tax provision	9995 -	
Net income / loss after taxes and extraordinary items	9999 =	82,037

**NOTES CHECKLIST****Schedule 141**

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are that not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information.
- For more information, see the *Guide to the General Index of Financial Information (GIFI) for Corporations* and the *T2 Corporation – Income Tax Guide*.
- For the purposes of this schedule, the person who reported on or prepared the financial statements of the corporation is referred to as the "accounting practitioner".

**Part 1 – Accounting practitioner information**

Choose only one of the following three options, whichever applies to the accounting practitioner:

**096**

- Chartered accountant 1
- Other professional designation 2
- No professional designation 3

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.

**Part 2 – Type of involvement**

Choose the option that represents the highest level of involvement of the accounting practitioner:

**098**

- Completed an auditor's report 1
- Completed a review engagement report 2
- Compiled the financial statements along with reviewing the books 3
- Conducted a compilation engagement 4

**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 you answered Yes to the question at line 101, 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 you answered Yes to the question at line 108, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)?

**109**  Yes  No



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: HEARST POWER DISTRIBUTION COMPANY LIMITED Business Number: 890534811

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.

COLLINS BARROW

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) 362-4261

(705) 362-4641

Representative's telephone number

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 <input type="checkbox"/>	RC _____	RC _____
GST/HST	RT0001 <input type="checkbox"/>	RT _____	RT _____
Payroll deductions	RP0001 <input type="checkbox"/>	RP _____	RP _____
Import/Export	RM0001 <input type="checkbox"/>	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: HEARST POWER DISTRIBUTION COMPANY LIMITED Business Number: 890534811

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 <input type="checkbox"/>	RC _____	RC _____
GST/HST	RT0001 <input type="checkbox"/>	RT _____	RT _____
Payroll deductions	RP0001 <input type="checkbox"/>	RP _____	RP _____
Import/Export	RM0001 <input type="checkbox"/>	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 NICOLE LEDUC Title Manager

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

Sign here ► \_\_\_\_\_ Date 2011/09/14

TaxPaid

# Tax instalments paid

Jurisdiction	Description	Date	Amount
Ontario	instalments		42,000
Federal			
Total			42,000

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

## Summary by jurisdiction

Federal	_____	Manitoba	_____
British Columbia	_____	Ontario	_____ 42,000
Alberta	_____		
Saskatchewan	_____		

Summary

# Tax Summary

Tax year ending 2002/12/31

Taxable income		Tax payable	
Net income for tax purposes	29,534	Part I tax	
Charitable donations and gifts	-	Part 1.3 tax (large corporations tax)	+
Taxable dividends	-	Taxable dividends received	
Losses of prior years	-	Part IV tax	+
Other adjustments	±	Other federal tax payable	+
Taxable income	= 29,534	Subtotal	=
<b>Part I tax</b>		Provincial and territorial tax (except QC,ON,AB)	+
38% of taxable income		Provincial tax on large corporations (NB,NS)	+
Surtax	+	Tax payable	+
Refundable tax on CCPC investment income	+	Tax instalments paid	-
Active business income	29,534	Investment tax credit refund	-
Small business deduction	-	Taxable dividends paid	
Federal tax abatement	-	Dividend refund	-
Manufacturing and processing deduction	-	Other refundable credits	-
Foreign tax credits	-	<b>Balance owing (refund) on federal return</b>	=
Political contribution tax credit	-	Provincial income tax (ON,AB,QC)	
Investment tax credit	-	Capital and other provincial taxes	+
Other deductions and credits	-	Tax instalments and credits	- 42,000
Part I tax	=	Other provincial taxes	= (42,000)
		<b>Total balance owing (refund)</b>	<b>(42,000)</b>

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					
<b>Schedule 5 provincial tax payable</b>					
Ontario	29,534			42,000	(42,000)
Alberta					
Québec					
<b>Totals</b>				<b>42,000</b>	<b>(42,000)</b>

Loss carryforwards		Other carryforwards	
Capital		Capital dividend account	
Non-capital		Refundable dividend tax on hand (net of dividend refund)	
Farm		Unused Part 1.3 tax credit	
Restricted farm		Unused surtax credits	623
Limited partnership		Foreign business tax credits	
Listed personal property		Donations and gifts	
		Investment tax credits	

5Year

# 5 Year Tax Summary

Years Ending:	2002/12/31	2001/12/31	2000/12/31		
<b>Taxable income</b>					
Net Income for tax purposes	29,534	55,660	(35,355)		
Charitable donations and gifts	-	-	-	-	-
Taxable dividends	-	-	-	-	-
Losses of other years	-	-	-	-	-
Other adjustments	±	±	±	±	±
Taxable income	= 29,534	= 55,660	=	=	=
<b>Active business income</b>	29,534	55,660			
<b>Part I tax</b>					
38% of taxable income		21,151			
Surtax	+	623	+	+	+
Refundable tax on CCPC investment income	+		+	+	+
Small business deduction	-	8,066	-	-	-
Federal tax abatement	-	5,566	-	-	-
Manufacturing and processing deduction	-		-	-	-
Foreign tax credits	-		-	-	-
Political contribution tax credit	-		-	-	-
Investment tax credit	-		-	-	-
Other deductions and credits	-	367	-	-	-
Part I tax	=	= 7,775	=	=	=
<b>Tax payable</b>					
Part I tax		7,775			
Part I.3 tax	+		+	+	+
Part IV tax	+		+	+	+
Other federal tax payable	+		+	+	+
Subtotal	=	= 7,775	=	=	=
Provincial and territorial tax (except QC,ON,AB)	+		+	+	+
Provincial tax on large corporations (NB,NS)	+		+	+	+
Tax payable	=	= 7,775	=	=	=
Tax instalments made	-		-	-	-
Investment tax credit refund	-		-	-	-
Dividend refund	-		-	-	-
Other refundable credits	-		-	-	-
Balance owing (refund)	=	= 7,775	=	=	=
Provincial income tax (ON,AB,QC)		3,340			
Capital and other provincial taxes	+		+	+	+
Tax instalments and credits	- 42,000	- 10,500	-	-	-
Other provincial taxes	= (42,000)	= (7,160)	=	=	=
<b>Total taxes owing (refund)</b>	(42,000)	615			

Notice T2 Tax payable has been set to NIL as corporation is exempt from tax.

Notice Info Tax payable has been set to NIL as corporation is exempt from tax.

Notice CT23 Tax payable has been set to NIL as corporation is exempt from tax.

Notice OEfile This return must be filed on disk as corporation is subject to CMT.

Override T2 Line 85: Exemption from tax under section 149 (ProFile: Exempt under 149(1)(e) or (l))

Override Info Disk file this return? (ProFile: Yes)

Memo CDA Net non-taxable ECP gain eligible for CDA: "In the previous ProFile release, the amounts in the Prior Year column of the CDA summary for the 31/12/2002 taxation year data were: ECP amounts of 0 for 1/4 of net proceeds, 0 for proceeds not included in income, 6,368 for 1/4 of expenditures and 0 for other adjustments. These values may not be correct. Review the prior year returns and enter the correct prior year net ECP amount eligible for CDA in the CDA details continuity schedule (CDASupp)."

Net non-taxable ECP gain eligible for CDA

In the previous ProFile release, the amounts in the Prior Year column of the CDA summary for the 31/12/2002 taxation year data were: ECP amounts of 0 for 1/4 of net proceeds, 0 for proceeds not included in income, 6,368 for 1/4 of expenditures and 0 for other adjustments. These values may not be correct. Review the prior year returns and enter the correct prior year net ECP amount eligible for CDA in the CDA details continuity schedule (CDASupp).

September 14, 2011

CBMN FINANCIAL SERVICES INC  
COLLINS BARROW  
1021 George street  
Hearst, Ontario  
P0L 1N0

MS. LEDUC  
HEARST POWER DISTRIBUTION COMPANY LIMITED

Dear MS. LEDUC:

We enclose your copy of the tax return with supporting schedules and financial statements for HEARST POWER DISTRIBUTION COMPANY LIMITED. We have prepared this return based on the information you provided to us.

We have also included the T2 Return and Schedule Information (T2 RSI), which is the keying summary required by Canada Customs and Revenue Agency (CCRA). Please sign page 5 of RSI Schedule 200 and Form RC59, Business Consent Form. Mail the T2 RSI to CCRA on or before June 30, 2003.

The T2 return shows no balance owing and no refund.

The CT23 Tax Return is being filed on disk. In addition to the disk, please submit the following to the Ontario Ministry of Finance:

- Signed copy of CT23 Certification Form - Diskette Filing
- Financial Statements
- Consent Form

The CT23 return shows a refund of \$42,000.

If you have any questions about your return(s), please contact me at 705-362-4261.

Sincerely yours,

**COLLINS BARROW**

CBMN FINANCIAL SERVICES INC

Enclosure



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)

The **Annual Return** (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2).

MCBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide)  Yes  No **Page 1 of 24**

Corporation's Legal Name (including punctuation) HEARST POWER DISTRIBUTION COMPANY LIMITED				Ontario Corporations Tax Account No. (MOF) 7334207	
Mailing address P.O. BAG 5000 City: HEARST Province: ON Country: CA Postal code: P0L 1N0				This CT23 Return covers the Taxation Year Start: 2002/01/01 End: 2002/12/31	
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes		Date of change		Date of Incorporation or Amalgamation 2000/11/02	
Registered/Head Office Address P.O. BAG 5000 City: HEARST Province: ON Country: CA Postal code: P0L 1N0				Ontario Corporation No. (MCBS) 7334207	
Location of Books and Records P.O. BAG 5000 City: HEARST Province: ON Country: CA Postal code: P0L 1N0				Canada Customs and Revenue Agency Business No. 890534811RC0001	
Name of person to contact regarding this CT23 Return NICOLE LEDUC		Telephone No. (705) 372-2815	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: <input checked="" type="checkbox"/> Not Applicable	
Former Corporation Name (Extra-Provincial Corporations only) <input type="checkbox"/> Not applicable (MCBS)				Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> 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				Ministry Use	
If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please check <input type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). <input type="checkbox"/> No Change					

### Certification (MCBS)

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

Name of Authorized Person  
NICOLE LEDUC

Title:  Director  Officer  Other individual having knowledge of the affairs of the Corporation

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



Taxation Year End



**Exempt From Filing (EFF)  
Corporations Tax Return Declaration**

Page 2 of 24

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;<br>b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);<br>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 <i>Income Tax Act</i> (Canada));<br>e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and<br>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:

- 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 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
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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 Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

<table style="width:100%"> <tr> <td style="width:5%">Yes</td> <td style="width:5%">No</td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(nearest whole percentage)</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>(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)</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td>(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.</td> </tr> </table>	Yes	No		<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.			(nearest whole percentage)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(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.	<table style="width:100%"> <tr> <td style="width:5%">Yes</td> <td style="width:5%">No</td> <td></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td>(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</td> </tr> <tr> <td></td> <td></td> <td>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.</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>(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).</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>(f) The corporation's Ontario allocation factor is 100%.</td> </tr> </table>	Yes	No		<input type="checkbox"/>	<input checked="" type="checkbox"/>	(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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(f) The corporation's Ontario allocation factor is 100%.
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**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 (1) box(es) if applicable in sections 1 & 2**

- 1**  Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2  Other Private
- 3  Public
- 4  Non-share Capital
- 5  Other (specify)
- Share Capital with full voting rights owned by Canadian residents. (nearest %) 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) 14  Bare Trustee Corporation
- 2  Family Fishing Corporation s.1(2) 15  Branch of Non-resident s.63(1)
- 3  Mortgage Investment Corp s.47 16  Financial institutions prescribed by Regulation only
- 4  Credit Union s.51 17  Investment Dealer
- 5  Bank Mortgage Subsidiary s.61(4) 18  Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 6  Bank s.1(2) 19  Hydro successor, Municipal Electrical Utility or subsidiary of either
- 7  Loan and Trust Corporation s.61(4) 20  Producer and seller of steam for uses other than for the generation of electricity
- 8  Non-resident Corp s.2(2)(a) or (b) 21  Insurance Exchange s.74.4
- 9  Non-resident Corporation s.2(2)(c) 22  Farm Feeder Finance Co-operative Corporation
- 10  Mutual Fund Corporation s.48 23  Professional Corporation (incorporated professionals only)
- 11  Non-resident owned investment Corp s.49
- 12  Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

**Please check (1) box(es) if applicable:**

- First Year of Filing
- Final Taxation Year up to Dissolution(wind-up) (Note: For discontinued businesses, see Guide.)
- Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- Ammended Return
- Final Taxation Year before Amalgamation
- Acquisition of Control fed s.249(4)
- Taxation Year End has changed - Canada Customs and Revenue Agency approval required
- Floating Fiscal Year End
- Date control was acquired: \_\_\_\_\_

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

# 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±	29,534
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		5 -	
Subtract: Prior years' losses applied - Non-capital losses	From	704-	
	From	715	inclusion
Net capital losses (page 16) X rate 50.000000 % =		714-	
Farm losses	From	724-	
Restricted farm losses	From	734-	
Limited partnership losses	From	754-	
<b>Taxable income (Non-capital loss)</b>		10 =	29,534
Addition to taxable income for unused foreign tax deduction for federal purposes		11 +	
<b>Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)</b>		20 =	29,534

Taxable Income	Number of days in Taxation Year	
	Days after Sept 30, 2001 and before Jan 1, 2004	Total days
From 10 (or 20) 29,534 X 30 100.0000 % X 12.5 % X 33 365 ÷ 73 365 =	29+	3,692
Ontario Allocation		
From 10 (or 20) 29,534 X 30 100.0000 % X 14.0 % X 34 ÷ 73 365 =	32+	
Ontario Allocation		
<b>Income Tax Payable (before deduction of tax credits) 29 + 32</b>	<b>40 =</b>	<b>3,692</b>

**Incentive Deduction for Small Business Corporations (IDSBC)(s.41)** (If this section is not completed, the IDSBC will be denied.)

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

\* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50	29,534
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 (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	55+	

**Ontario Business Limit Calculation**

Days after Sept. 30, 2001 and before Jan. 1, 2003	280,000 X 28 365 ÷ ** 365	=+ 43	280,000
Days after Dec. 31, 2002 and before Jan. 1, 2004	320,000 X 31 ÷ ** 365	=+ 46	
Days after Dec. 31, 2003	400,000 X 34 ÷ ** 365	=+ 47	
Business limit for Ontario purposes 43 + 46 + 47	= 44	280,000 X 48 100.0000 % =	45 280,000

\*\*\* Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated

<b>Income eligible for the IDSBC</b>	From	30 100.0000 % X	56	60 =
		****Ontario Allocation	Least of 50, 54 or 45	

\* **Note:** Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

\*\* **Note:** Adjust accordingly for a floating taxation year and use 366 for a leap year.

\*\*\* **Note:** For a taxation year ending before Jan 1, 2003, use your proportion of the associated group business limit.

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

**Income Tax** *continued from Page 4*

		<b>Number of Days in Taxation Year</b>			
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
<b>Calculation of IDSBC Rate</b>	6.5 % X <b>28</b>	365 ÷ <b>73</b>	= 79 +	6.5000	
	7.0 % X <b>31</b>	365 ÷ <b>73</b>	= 89 +		
	8.5 % X <b>34</b>	365 ÷ <b>73</b>	= 90 +		
<b>IDSBC Rate for Taxation Year 79 + 89 + 90</b>				<b>78 =</b>	6.5000
Claim	From <b>60</b>	X From <b>78</b>	6.5000 %	<b>70 =</b>	

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 +** 29,534

**If you are a member of an associated group (1)** **81**  (Yes)

Taxable income of associated corporations (*Attach schedule*) **82 +**  
 Aggregate Taxable Income **85 =** 29,534

		<b>Number of days in Taxation Year</b>			
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
Subtract: 280,000 X	<b>28</b>	365 ÷ <b>73</b>	= 113 +	280,000	
	<b>31</b>	365 ÷ <b>73</b>	= 115 +		
	<b>34</b>	365 ÷ <b>73</b>	= 116 +		
				<b>113 + 115 + 116</b>	<b>= 280,000</b> ▶
<b>(If negative, enter nil)</b>				<b>114 -</b>	280,000
				<b>86 =</b>	

		<b>Number of Days in Taxation Year</b>			
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
<b>Calculation of Specified Rate for Surtax</b>	4.333% X <b>28</b>	365 ÷ <b>73</b>	= 95 +	4.3330	
	4.667% X <b>31</b>	365 ÷ <b>73</b>	= 96 +		
	4.667% X <b>34</b>	365 ÷ <b>73</b>	= 97 +		
<b>Specified rate of surtax for Taxation Year 95 + 96 + 97</b>				<b>94 =</b>	4.3330
From <b>86</b>	X From <b>94</b>	4.3330 % =			
From <b>87</b>	X From <b>60</b>	÷ From <b>114</b>	280,000	<b>88 =</b>	

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

**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.

<b>Eligible Canadian Profits</b>	<b>120</b>	<b>+</b>	<span style="background-color: #cccccc; border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From <b>56</b>	<b>-</b>	
Add: Adjustment for Surtax on Canadian-controlled private corporations			
From <b>100</b> _____ ÷ From <b>30</b> _____ 100.0000 % ÷ From <b>78</b> _____ 6.5000 % =	<b>121</b>		
			*Ontario Allocation
Lesser of <b>56</b> or <b>121</b>	<b>122</b>	<b>+</b>	
<b>120 - 56 + 122</b>	<b>130</b>	<b>=</b>	

<b>Taxable income</b>	<b>From 10</b>	<b>+</b>	<b>29,534</b>
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From <b>56</b>	<b>-</b>	
Add: Adjustments for Surtax on Canadian-controlled private corporations	From <b>122</b>	<b>+</b>	
Subtract: Taxable income <b>10</b> X Allocation % to jurisdictions outside Canada	<b>140</b>	<b>-</b>	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	<b>141</b>	<b>-</b>	
<b>10 - 56 + 122 - 140 - 141</b>	<b>142</b>	<b>=</b>	<b>29,534</b>

Claim	Number of Days in Taxation Year
	Days after Sept 30, 2001 and before Jan 1, 2004
<b>143</b> _____ X From <b>30</b> _____ 100.0000 % X 1.5% X	<b>33</b> _____ 365 ÷ <b>73</b> _____ 365 = <b>154</b> +
Lesser of <b>130</b> or <b>142</b>	*Ontario Allocation
	Days after Dec 31, 2003
<b>143</b> _____ X From <b>30</b> _____ 100.0000 % X 2.0% X	<b>34</b> _____ ÷ <b>73</b> _____ 365 = <b>156</b> +
Lesser of <b>130</b> or <b>142</b>	*Ontario Allocation

M&P claim for taxation year **154 + 156** **160** =

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

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

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

**Credit for Foreign Taxes Paid (s.40)**

**Applies** if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 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** = **3,692**

**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**  
 Eligible Credit from **6598** Summary Schedule G 194 195 +

**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 = 3,692

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+	5,774,786	
* Total Revenue of the corporation			241+ 9,166,836
<b>If you are a member of an associated group (1) 242</b> <input checked="" type="checkbox"/> (Yes)			
Total Assets of associated corporations (Attach schedule)	243+		
Total Revenue of associated corporations (Attach schedule)			244+
Aggregate Total Assets	249=	5,774,786	
Aggregate Total Revenue			250= 9,166,836

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	88,213 X	From 30	100.0000 % X 4%	276=	3,529
		If negative, enter zero		Ontario Allocation		
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)					277-	
Subtract: Income Tax					From 190-	3,692
<b>Net CMT Payable</b> (if negative, enter Nil on page 17.)					<b>280=</b>	

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.**

<b>CMT Credit Carryover available</b>	From	<b>2307</b>
---------------------------------------	------	-------------

## Application of CMT Credit Carryovers

<b>A.</b>	Income Tax (before deduction of specified credits)	From	190+	3,692
	Gross CMT payable	From	276+	3,529
	Subtract: Foreign Tax Credit for CMT purposes	From	277-	
	If 276 - 277 is negative, enter NIL in 290	=		3,529 ▶
	<b>Income Tax eligible for CMT Credit</b>		<b>290-</b>	<b>3,529</b>
			<b>300=</b>	<b>163</b>
<b>B.</b>	Income Tax (after deduction of specified credits)	From	230+	3,692
	Subtract: CMT credit used to reduce income taxes		310-	
	<b>Income Tax</b>		<b>320=</b>	<b>3,692</b>

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)

CT23 Page 9 of 24

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+
Retained earnings (if deficit, deduct) (Int.B. 3012)	351±
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352+
Loans and advances (Attach schedule)(Int.B. 3013)	353+
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+
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+
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362+
<b>Subtotal</b>	<b>370=</b>
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	371-
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372-
<b>Total Paid-up Capital</b>	<b>380=</b>
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381-
<i>Electrical Generating Corporations Only</i> - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382-
<b>Net Paid-up Capital</b>	<b>390=</b>

**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+
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	406+
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	407+
<b>Total Eligible Investments</b>	<b>410=</b>



**Capital Tax** *continued from Page 9*

**Total Assets** (Int.B. 3015)

Total Assets per balance sheet	420+	5,774,786
Mortgages or other liabilities deducted from assets	421+	
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	422+	
Subtract: Investment in partnership(s)/joint venture(s)	423-	
<b>Total Assets as adjusted</b>	<b>430=</b>	<b>5,774,786</b>
Amounts in <b>360</b> and <b>361</b> (if deducted from assets)	440+	
Subtract: Amounts in <b>371</b> , <b>372</b> and <b>381</b>	441-	
Subtract: Appraisal surplus if booked	442-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443±	
<b>Total Assets</b>	<b>450=</b>	<b>5,774,786</b>

<b>Investment Allowance</b> (410 ÷ 450) X 390	Not to exceed 410	460=	
<b>Taxable Capital</b> 390 - 460		470=	

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)			
Gross Revenue of the corporation	9,166,836		
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue ( <i>Attach schedule</i> )			
Aggregate of Gross Revenue	9,166,836	480	9,166,836
<b>Total Assets</b> (as adjusted)	From	430	5,774,786

**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.

$$\begin{aligned}
 &+ \text{ From } \mathbf{470} \text{ _____} \\
 &- \text{ _____} \\
 = & \mathbf{471} \text{ _____} \times \text{ From } \mathbf{30} \text{ _____} \times 0.3\% \times \mathbf{555} \text{ _____} = \mathbf{523} + \text{ _____} \\
 & \hspace{10em} \text{Ontario Allocation} \hspace{10em} \text{**365/366} \hspace{10em} \text{Transfer to 543 on page 12 and} \\
 & \hspace{15em} \text{complete the return from that point}
 \end{aligned}$$

**\*\* 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 (1 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 (1 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 (1 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 <b>470</b> _____								
	- <b>542</b> _____								
	= <b>471</b> _____	x	From <b>30</b> _____	% x 0.3% x	<b>555</b> _____	Days in the taxation year	= <b>523</b> + _____		<b>Total Capital Tax for the taxation year</b>
			Ontario Allocation		** (365/366)				<i>Transfer to 543 and complete the return from that point</i>

## 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 <b>470</b> _____	X	From <b>30</b> _____	x 0.3%					
	- Capital tax deduction relating to your corporation's capital tax deduction, on ss.69(2.1) election form						From <b>995</b> - _____		
							<b>562</b> = _____		
	<b>Capital Tax</b> _____		<b>562</b> _____	X	<b>555</b> _____	Days in taxation year	= <b>563</b> + _____		<i>Transfer to 543 and complete the return from that point</i>
					** (365/366)				

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

<b>Capital Tax before application of specified credits</b>		<b>543</b> = _____
Subtract: Specified Tax Credits applied to reduce capital tax payable ( <i>Refer to Guide</i> )		<b>546</b> - _____
<b>Capital Tax 543 - 546</b> ( <i>amount cannot be negative</i> )		<b>550</b> = _____
		<i>Transfer to page 17</i>

**Capital Tax** *continued from page 12*

**Calculation of Capital Tax for Financial Institutions**

**I.1. Credit Unions Only**

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.

**I.2 Other than Credit Unions**

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

$$\begin{array}{r}
 \text{565 } \underline{\hspace{2cm}} \times 0.6\% \times \text{From } \text{30 } \underline{\hspace{2cm}} \% \times \text{555 } \underline{\hspace{2cm}} \div \text{**365/366} = \text{569+ } \underline{\hspace{2cm}} \\
 \text{Lesser of adjusted TPUC} \qquad \qquad \qquad \text{Ontario Allocation} \\
 \text{and Basic Capital Amount} \\
 \text{in accordance with} \\
 \text{Division B.1}
 \end{array}$$

$$\begin{array}{r}
 \text{570 } \underline{\hspace{2cm}} \times \text{571 } \underline{\hspace{2cm}} \times \text{From } \text{30 } \underline{\hspace{2cm}} \% \times \text{555 } \underline{\hspace{2cm}} \div \text{**365/366} = \text{574+ } \underline{\hspace{2cm}} \\
 \text{Adjusted TPUC} \qquad \qquad \text{Capital Tax Rate} \qquad \qquad \text{Ontario Allocation} \\
 \text{in accordance with} \qquad \qquad \text{(Refer to Guide)} \\
 \text{Division B.1 in excess} \\
 \text{of Basic Capital Amount}
 \end{array}$$

**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)? (1)  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± 29,534  
*Transfer to Page 15*

**Add:**

Federal capital cost allowance	601 +	232,898
Federal cumulative eligible capital deduction	602 +	1,430
Ontario taxable capital gain	603 +	
Federal non-allowable reserves. Balance beginning of year	604 +	
Federal allowable reserves. Balance end of year	605 +	
Ontario non-allowable reserves. Balance end of year	606 +	
Ontario allowable reserves. Balance beginning of year	607 +	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608 +	
Federal resource allowance	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. <b>633 + 634 =</b>	<b>613 +</b>	
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in <b>473</b> from Ont. CT23 schedule 161	<b>615 +</b>	
Add any negative amount in <b>473</b> from Ont. CT23 Schedule 161	<b>616 +</b>	
Federal allowable business investment loss	<b>620 +</b>	
Total of other items not allowed by Ontario but allowed federally ( <i>Attach schedule</i> )	<b>614 +</b>	
<b>Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614</b>	<b>=</b>	<u>234,328</u> <b>640</b> <u>234,328</u>

*Transfer to Page 15*

**Deduct:**

Ontario capital cost allowance (excludes amounts deducted under <b>675</b> )	650 +	232,898
Ontario cumulative eligible capital deduction	651 +	1,430
Federal taxable capital gain	652 +	
Ontario non-allowable reserves. Balance beginning of year	653 +	
Ontario allowable reserves. Balance end of year	654 +	
Federal non-allowable reserves. Balance end of year	655 +	
Federal allowable reserves. Balance beginning of year	656 +	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) ( <i>Retain calculations. Do not submit.</i> )	657 +	
Ontario depletion allowance	658 +	
Ontario resource allowance	659 +	
Ontario current cost adjustment ( <i>Attach schedule</i> )	661 +	
Incentive for new electricity supply (section 13.6 deduction from income) ( <i>Applies only to electrical generating corporations.</i> )	674 +	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	675 +	
<b>Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675</b>	<b>681</b>	<u>234,328</u>

*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

<b>Net income (loss) for federal income tax purposes, per federal T2 SCH 1</b>	From <b>600</b> ±	29,534
<b>Sub Total of Additions</b>	From <b>640</b> =	234,328

<b>Sub Total of deductions on page 14</b>	From <b>681</b> =	234,328
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**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 <b>662</b>	Gross-up of CCA	x 100/ 30	100.0000	- From <b>662</b>	<b>663</b> =	
				Ontario allocation		

**Workplace Child Care Tax Incentive**

Qualifying expenditures: <b>665</b>	x 30%	x 100/ 30	100.0000	<b>666</b> =	
			Ontario Allocation		

**Workplace Accessibility Tax Incentive**

Qualifying expenditures: <b>667</b>	x 100%	x 100/ 30	100.0000	<b>668</b> =	
			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 <b>670</b>	x 30%	x 100/ 30	100.0000	<b>671</b> =	
			Ontario Allocation		

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

Qualifying expenditures <b>672</b>	x 15%	x 100/ 30	100.0000	<b>673</b> =	
			Ontario Allocation		

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

**Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23** **679**+

**Schedule 161**

**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**+

<b>Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664</b>	=	234,328	<b>680</b>	234,328
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<b>Net income (loss) for Ontario purposes 600 + 640 - 680</b>	<b>690</b> =	29,534
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Transfer to Page 4

**Continuity of Losses Carried Forward**

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	<b>700 (2)</b>	<b>710 (2)</b>	<b>720 (2)</b>	<b>730</b>	<b>740</b>	<b>750</b>
<b>Add:</b>	<b>701</b>	<b>711</b>	<b>721</b>	<b>731</b>	<b>741</b>	<b>751</b>
Current year's losses (7)						
Losses from predecessor corporations (3)	<b>702</b>	<b>712</b>	<b>722</b>	<b>732</b>		<b>752</b>
	<b>703</b>	<b>713</b>	<b>723</b>	<b>733</b>	<b>743</b>	<b>753</b>
<b>Subtotal</b>						
<b>Subtract:</b>	<b>704 (2)</b>	<b>715 (2)(4)</b>	<b>724 (2)</b>	<b>734 (2)(4)</b>	<b>744 (4)</b>	<b>754 (4)</b>
Utilized during the year to reduce taxable income	<b>705</b>		<b>725</b>	<b>735</b>	<b>745</b>	
Expired during the year						
Carried back to prior years to reduce income (5)	<b>706 (2) To Pg 17</b>	<b>716 (2) To Pg 17</b>	<b>726 (2) To Pg 17</b>	<b>736 (2) To Pg 17</b>	<b>746</b>	
	<b>707</b>	<b>717</b>	<b>727</b>	<b>737</b>	<b>747</b>	<b>757</b>
<b>Subtotal</b>						
<b>Balance at End of Year</b>	<b>709 (8)</b>	<b>719</b>	<b>729</b>	<b>739</b>	<b>749</b>	<b>759</b>

**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
<b>800</b>				<b>850</b>	<b>870</b>
<b>801</b>				<b>851</b>	<b>871</b>
<b>802</b>				<b>852</b>	<b>872</b>
<b>803</b>	<b>820</b>	<b>830</b>	<b>840</b>	<b>853</b>	<b>873</b>
<b>804</b>	<b>821</b>	<b>831</b>	<b>841</b>	<b>854</b>	<b>874</b>
<b>805</b>	<b>822</b>	<b>832</b>	<b>842</b>	<b>855</b>	<b>875</b>
<b>806</b>	<b>823</b>	<b>833</b>	<b>843</b>	<b>856</b>	<b>876</b>
<b>807</b> 2000/12/31	<b>824</b>	<b>834</b>	<b>844</b>	<b>857</b>	<b>877</b>
<b>808</b> 2001/12/31	<b>825</b>	<b>835</b>	<b>845</b>	<b>858</b>	<b>878</b>
<b>809</b> 2002/12/31	<b>826</b>	<b>836</b>	<b>846</b>	<b>859</b>	<b>879</b>
<b>Total</b>	<b>829</b>	<b>839</b>	<b>849</b>	<b>869</b>	<b>889</b>

# 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:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
<b>Total amount of loss</b>	<b>910</b>	<b>920</b>	<b>930</b>	<b>940</b>
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
	<b>911</b>	<b>921</b>	<b>931</b>	<b>941</b>
i) 3rd preceding	901			
ii) 2nd preceding	902	2000/12/31		
iii) 1st preceding	903	2001/12/31		
<b>Total loss to be carried back</b>	From <b>706</b>	From <b>716</b>	From <b>726</b>	From <b>736</b>
<b>Balance of loss available for carryforward</b>	<b>919</b>	<b>929</b>	<b>939</b>	<b>949</b>

## Summary

<b>Income Tax</b>	From 230 or	<b>320</b> +	3,692
<b>Corporate Minimum Tax</b>	From	<b>280</b> +	
<b>Capital Tax</b>	From	<b>550</b> +	
<b>Premium Tax</b>	From	<b>590</b> +	
<b>Total Tax Payable</b>		<b>950</b> =	
<b>Subtract:</b>	<b>Payments</b>	<b>960</b> -	42,000
	<b>Capital Gains Refund (s.48)</b>	<b>965</b> -	
	<b>Qualifying Environmental Trust Tax Credit</b> <i>(Refer to Guide)</i>	<b>985</b> -	
	<b>Specified Tax Credits</b> <i>(Refer to Guide)</i>	<b>955</b> -	
<b>Balance</b>		<b>970</b> =	(42,000)
<b>If payment due</b>	Enclosed *	<b>990</b>	
<b>If overpayment: Refund</b> <i>(Refer to Guide)</i>		<b>975</b> =	42,000
<b>Apply to</b>		<b>980</b>	

*(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		
NICOLE LEDUC		
Title		
Manager		
Full Residence Address		
City		
Province	Country	Postal Code
Signature		Date
		2011/09/14

**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± 82,037

**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+	
<b>Subtotal</b>	=	▶ 2109- _____

**Add (to extent reflected in net income/loss):**

Provision for current taxes / cost of current income taxes	2110+	6,176
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+	
<b>Subtotal</b>	=	▶ 2115+ 6,176

**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= 88,213

\*\* 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= 88,213

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= 88,213  
*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							
Totals							

<b>Balance at Beginning of year</b> (1), (2)		<b>2201 +</b>
<b>Add:</b> Current year's losses	<b>2202 +</b>	
Losses from predecessor corporations on amalgamation (3)	<b>2203 +</b>	
Losses from predecessor corporations on wind-up (3)	<b>2204 +</b>	
Amalgamation (1) <b>2205</b> <input type="checkbox"/> Yes      Wind-up (1) <b>2206</b> <input type="checkbox"/> Yes		
<b>Subtotal</b>	<b>=</b>	<b>2207 +</b>
Adjustments (attach schedule)		<b>2208 ±</b>
<b>CMT losses available 2201 + 2207 ± 2208</b>		<b>2209 =</b>
<b>Subtract:</b> Pre-1994 loss utilized during the year to reduce adjusted net income	<b>2210 +</b>	
Other eligible losses utilized during the year to reduce adjusted net income (4)	<b>2211 +</b>	
Losses expired during the year	<b>2212 +</b>	
<b>Subtotal</b>	<b>=</b>	<b>2213 -</b>
<b>Balances at End of Year (5) 2209 - 2213</b>		<b>2214 =</b>

- 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	2265	2285
2246	2266	2286
2247 2000/12/31	2267	2287
2248 2001/12/31	2268	2288
2249 2002/12/31	2269	2289
<b>Totals</b>	<b>2270</b>	<b>2290</b>

**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							
Totals							

<b>Balance at Beginning of year (1)</b>		<b>2301 +</b>	
<b>Add:</b> Current year's CMT Credit (280 on page 8. If negative, enter NIL)	From	<b>280 +</b>	
CMT Credit Carryovers from predecessor corporations (2)		<b>2302 +</b>	
Amalgamation (1) <b>2303</b> <input type="checkbox"/> Yes	Wind-up (1) <b>2304</b> <input type="checkbox"/> Yes		
<b>Subtotal</b>		<b>=</b>	<b>2305 +</b>
Adjustments (Attach schedule)			<b>2306 ±</b>
<b>CMT credit carryover available 2301 + 2305 ± 2306</b>			<b>2307 =</b>
			<i>Transfer to Page 8</i>
<b>Subtract:</b> CMT credit utilized during the year to reduce income tax (Page 8)	From	<b>310 +</b>	
CMT credit expired during the year		<b>2308 +</b>	
<b>Subtotal</b>		<b>=</b>	<b>2309 -</b>
<b>Balance at End of Year (3) 2307 - 2309</b>			<b>2310 =</b>

- 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	2366	2386
2347	2367	2387
2348 2001/12/31	2368	2388
2349 2002/12/31	2369	2389
<b>Totals</b>	<b>2370</b>	<b>2390</b>

The sum of amounts 2370 and 2390 must equal the amount in 2310.

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name <b>HEARST POWER DISTRIBUTION COMPANY LIMITED</b>	Ontario Corporations Tax Account No. (MOF) <b>7334207</b>	Taxation Year End <b>2002/12/31</b>
--	--	--

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 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	138,057				138,057		138,057	4			5,522	132,535
2	1,082,129	19,838			1,101,967	9,919	1,092,048	6			65,523	1,036,444
8	273				273		273	20			55	218
10	26,889	13,435			40,324	6,718	33,606	30			10,082	30,242
8	33,634	15,814			49,448	7,907	41,541	20			8,308	41,140
10	154,829				154,829		154,829	30			46,449	108,380
36	7,600				7,600		7,600					7,600
12	53,778	86,363			140,141	43,182	96,959	100			96,959	43,182
<b>Totals</b>	<b>1,497,189</b>	<b>135,450</b>				<b>67,726</b>	<b>1,564,913</b>				<b>232,898</b>	<b>1,399,741</b>

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.

Corporation's Legal Name HEARST POWER DISTRIBUTION COMPANY LIMITED	Ontario Corporations Tax Account No. (MOF) 7334207	Taxation Year End 2002/12/31
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- 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)			20,432	A	
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	+			B	
Amount transferred on amalgamation or wind-up of subsidiary	+			C	
Other adjustments	+			D	
<b>Total of B + C + D</b>	=		x 3/4=	E	
<b>Subtotal A + E</b>			=	20,432	F
<b>Deduct:</b> 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 <i>Income Tax Act</i> (Canada)	+			H	
Other adjustments	+			I	
<b>Total of G + H + I</b>	=		x 3/4=	J	
<b>Ontario cumulative eligible capital balance F - J</b>			=	20,432	K

If K is negative, enter zero at line M and proceed to Part 2

<b>Current year deduction</b>	20,432	K	x 7%*	=	1,430	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

<b>Ontario cumulative eligible capital - closing balance K - L (if negative, enter zero)</b>	=	19,002	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
<b>N - O (cannot be negative)</b>				P
Amount on line 5	x 1/2			Q
<b>P - Q</b>				R
Amount on line R	x 66.6667			S
Lesser of line N or line O				T
<b>Amount to be included in income S + T</b>				

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S



**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 HEARST POWER DISTRIBUTION COMPANY LIMITED	Ontario Corporations Tax Account No. (MOF) 7334207	Taxation Year End 2002/12/31
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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
HEARST POWER SALES AND SERVICES COMPANY LIMITED	1800108	2002/12/31	
Aggregate of taxable capital			

Transfer to **540** of 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

HEARST POWER DISTRIBUTION COMPANY LIMITED

Ontario Corporations Tax Account Number

7334207

## 2. Authorized third party identification

Authorized individuals' name

Address

Phone number

( ) -

Authorized firm's name

COLLINS BARROW

Address

1021 George street P.O. Box 637 Hearst, Ontario P0L 1N0

Phone number

(705) 362-4261

## 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)

NICOLE LEDUC

Name

(705) 372-2815

Telephone number

2011/09/14

Date signed

Manager

Signature of client or authorized signing officer

Position, office or rank



Ministry of Finance

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

CT23 - Certification Form Diskette
Filing

Corporations Tax Account Number
7334207

Return I.D. # (Ministry Use Only)

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 2000/11/02
Return for taxation year Start 2002/01/01 End 2002/12/31
CCRA Business No. 890534811RC0001
Jurisdiction Incorporated ONTARIO

Corporation's legal name and mailing address
HEARST POWER DISTRIBUTION COMPANY LIMITED
Care of

Change of information? Yes No X

Address
P.O. BAG 5000

City HEARST Province ON Country CA Postal code P0L 1N0

Transmitter Details

Transmitter number
Transmitter name
Name of person to contact COLLINS BARROW
Telephone number (705) 362-4261
Facsimile number (705) 362-4641
Transmitter Address 1021 GEORGE STREET P.O. BOX 637 HEARST, ON P0L 1N0

Disk Reference Number
Aggregate of Total Revenue 210 9,166,836
Aggregate of Total Assets 209 5,774,786
Taxable Income (Non-capital Loss) 10 29,534
Total Tax Payable 950
Payments: 990 42,000
Enclosed:

Apply to: Year
Apply Amount:

975 Refund: Yes X No
If Yes, Due to:
Loss Carryback: Yes No X
Overpayment: Yes X No
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 NICOLE LEDUC
Title Manager
Full Residence address

City
Province Country Postal code

Signature
Phone Number (705) 372-2815 Date 2011/09/14

ProFile Version 2004.5.0 Approval code 051D



## Payment Advice

Corporations Tax Account Number      7334207  
Date of Incorporation                      2000/11/02  
Corporation Name  
HEARST POWER DISTRIBUTION COMPANY LIMITED

Enter the amount of payment and indicate taxation year.

<b>Taxation Year End</b>	<b>Payment amount</b>
<u>2002/12/31</u>	\$ <u>                    </u>
<b>Total Payment</b>	\$ <u>                    </u>

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.***

0Instalments

# 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		29,534	55,660
Base amount of tax		3,692	6,958
Small business tax credit			3,618
Surtax on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
<b>Income tax payable</b>		3,692	3,340
Corporate minimum tax payable			
Capital tax payable			
Premium tax payable			
<b>Total tax payable</b>		3,692	3,340
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years		3,692	3,340
Estimated tax credits for the current year			
Instalment base		3,692	3,340
Monthly payment		308	278
Quarterly payment		923	835

## Instalment payment options

1. based on estimated taxes for the current year
  3. based on the first and second instalment base
2. based on the first 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	835		
2003/04/30			
2003/05/31			
2003/06/30	952		
2003/07/31			
2003/08/31			
2003/09/30	952		
2003/10/31			
2003/11/30			
2003/12/31	952		
Total	3,691		

CORPORATION NOTICE OF ASSESSMENT

Shawinigan-Sud QC G9N 7S6

0001845

HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE 925 ALEXANDRA STREET P O BAG 5000 HEARST ON P0L 1N0

REÇU Le 25 MAI 2004 Rép.....

Table with 2 columns: Field Name, Value. Fields include Date of mailing (May 18, 2004), Business Number (89053 4811 RC0001), and Taxation year-end (December 31, 2003).

RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Table with 2 columns: Description, Amount. Rows include Result of this Assessment (\$ 0.00), Prior balance (\$ 0.00), and Total balance (\$ 0.00).

Please refer to the Summary and Explanation for additional information.



CORPORATION NOTICE OF ASSESSMENT

HEARST POWER DISTRIBUTION COMPANY  
LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE  
HEARST

Date of mailing May 18, 2004
Business Number 89053 4811 RC0001
Taxation year-end December 31, 2003

SUMMARY OF ASSESSMENT

	\$ Reported	\$ Assessed
<b>Federal Tax:</b>		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00
		=====
<b>Total Federal Tax:</b>		\$ 0.00
		=====
	<b>Net balance:</b>	\$ 0.00
		=====
	<b>Result of this assessment:</b>	\$ 0.00
	<b>Prior balance:</b>	\$ 0.00
		=====
	<b>Total balance:</b>	\$ 0.00

Alan Nymark  
Commissioner of Customs and Revenue

EXPLANATION

We have revised the non-capital loss closing balance on Schedule 4, "Corporation Loss Continuity and Application," to \$43,492.00, to agree with our records.

If necessary, we have adjusted subsequent taxation years for carry-forward balances, interest, and balance due date.

Please visit our Web site at [www.ccra-adrc.gc.ca](http://www.ccra-adrc.gc.ca).

Did you know that Corporation Internet Filing is available? Please visit our Web site at [www.ccra.gc.ca/corporation-internet](http://www.ccra.gc.ca/corporation-internet) or contact our Help Desk toll free at 1-800-959-2803 for further information.

If you require additional information or wish to request an adjustment, contact:

Shawinigan-Sud Tax Centre  
4695, 12th Avenue  
Shawinigan-Sud QC G9N 7S6  
Phone (819) 537-5141  
Fax (819) 536-4486  
Toll-Free Long Distance Number 1-800-959-7405  
We accept collect calls.

Sudbury Tax Services Office  
1050 Notre Dame Avenue  
Sudbury ON P3A 5C1  
Toll-Free Long Distance Number 1-800-959-5525



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** 89053 4811 RC 0001

**Corporation's name** (item 12)

**002** HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

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** P.O. BAG 5000

**012** City Province, territory, or state

**015** HEARST **016** ON

Country (other than Canada) Postal code/Zip code

**017** **018** POL 1N0

**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** P.O. BAG 5000

**023** City Province, territory, or state

**025** HEARST **026** ON

Country (other than Canada) Postal code/Zip code

**027** **028** POL 1N0

**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

**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**

Do not use this area

<b>091</b>	<b>092</b>	<b>093</b>	<b>094</b>	<b>095</b>	<b>096</b>
<b>097</b>					

Guide item	Attachments	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 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 <i>Income Tax Regulations</i> ?	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	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 <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter yes for first time filers) (item 49)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
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 it is wholesale or retail (item 51)	283	1 Wholesale <input type="checkbox"/>	2 Retail <input checked="" type="checkbox"/>
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	285	286
	ELECTRICAL UTILITY	100.000	%
	286	287	%
	288	289	%
Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)	300	(8,137) A
<b>Deduct:</b> 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
<b>Add:</b> Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355	D
<b>Taxable income</b> (amount C plus amount D) (item 92)	360	0
Income exempt under paragraph 149(1)(t) (item 93)	370	
<b>Taxable income</b> 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.





**Resource deduction (item 100)**

Taxable resource income		<b>435</b>	A
Amount A _____ x	<u>Number of days in the taxation year in 2003</u>	365	x 1% = _____ B
	Number of days in the taxation year	365	
Amount A _____ x	<u>Number of days in the taxation year in 2004</u>	365	x 2% = _____ C
	Number of days in the taxation year	365	
<b>Resource deduction</b> - amount B plus amount C		<b>438</b>	D
(enter amount D on line 10 of page 7)			

**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	<u>Number of days in the taxation year in 2001</u>	365	x 1% = _____ K
	Number of days in the taxation year	365	
Amount J _____ x	<u>Number of days in the taxation year in 2002</u>	365	x 3% = _____ L
	Number of days in the taxation year	365	
Amount J _____ x	<u>Number of days in the taxation year in 2003</u>	365	x 5% = _____ M
	Number of days in the taxation year	365	
Amount J _____ x	<u>Number of days in the taxation year after 2003</u>	365	x 7% = _____ N
	Number of days in the taxation year	365	
<b>General tax reduction for Canadian-controlled private corporations</b> - 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
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	<u>Number of days in the taxation year in 2001</u>	_____	x 1% = _____ H
	Number of days in the taxation year	_____	
Amount G _____ x	<u>Number of days in the taxation year in 2002</u>	_____	x 3% = _____ I
	Number of days in the taxation year	_____	
Amount G _____ x	<u>Number of days in the taxation year in 2003</u>	_____	x 5% = _____ J
	Number of days in the taxation year	_____	
Amount G _____ x	<u>Number of days in the taxation year after 2003</u>	_____	x 7% = _____ K
	Number of days in the taxation year	_____	
<b>General tax reduction</b> - 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 **440** X 26 2/3 % = \_\_\_\_\_ A  
 (Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 \_\_\_\_\_

**Deduct:**

Foreign investment income **445** X 9 1/3 % = \_\_\_\_\_ B  
 (Amount O from Part 1 of Schedule 7) (if negative, enter "0")

Amount A **minus** amount B (if negative, enter "0") \_\_\_\_\_ C

Taxable income from line 360 on page 3 \_\_\_\_\_

**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**

<b>Base amount of Part I tax</b> - 38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106)		<b>550</b>	0	A
<b>Corporate surtax calculation</b> (item 107)				
Base amount from line A above	_____	1		
<b>Deduct:</b>				
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 <b>plus</b> line C and D <b>minus</b> line F)	_____ c			
Total of lines 2 to 6	_____	7		
Net amount (line 1 minus line 7)	_____	8		
<b>Corporate surtax</b> - 4% of the amount on line 8	_____	<b>600</b>		B
Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108)	_____	<b>602</b>		C
<b>Calculation for the refundable tax on Canadian-controlled private corporation's investment income</b> (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	_____			
<b>Deduct:</b>				
The least of amounts on lines 400, 405, 410, and 425 on page 4	_____			
Net amount	_____ ▶	ii		
<b>Refundable tax on CCPC's investment income</b> - 6 2/3 % of the lesser of amounts i or ii	_____	<b>604</b>		D
Subtotal (add lines A, B, C, and D)		_____		E
<b>Deduct:</b>				
Small business deduction from line 430 on page 4	_____	9		
Federal tax abatement (item 110)	<b>608</b>			
Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111)	<b>616</b>			
Investment corporation deduction (item 112)	<b>620</b>			
(Taxed capital gains <b>624</b> )	_____			
Additional deduction - credit unions from Schedule 17 (item 113)	<b>628</b>			
Federal foreign non-business income tax credit from Schedule 21 (item 114)	<b>632</b>			
Federal foreign business income tax credit from Schedule 21 (item 115)	<b>636</b>			
Accelerated tax reduction from amount N of page 4 (item 116)	<b>637</b>			
Resource deduction from line 438 of page 5	_____	10		
General tax reduction for CCPC's from amount O of page 5 (item 117)	<b>638</b>			
General tax reduction from amount L of page 5 (item 117)	<b>639</b>			
Federal logging tax credit from Schedule 21 (item 118)	<b>640</b>			
Federal political contribution tax credit (item 119)	<b>644</b>			
Federal political contributions	<b>646</b>			
Federal qualifying environmental trust tax credit (item 120)	<b>648</b>			
Investment tax credit from Schedule 31 (item 121)	<b>652</b>			
Subtotal		_____ ▶		F
<b>Part I tax payable</b> - 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)	<b>700</b>
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	<b>704</b>
Part II surtax tax payable from Schedule 46 (item 125)	<b>708</b>
Part IV tax payable from Schedule 3 (item 126)	<b>712</b>
Part IV.1 tax payable from Schedule 43 (item 127)	<b>716</b>
Part VI tax payable from Schedule 38 (item 128)	<b>720</b>
Part VI.1 tax payable from Schedule 43 (item 129)	<b>724</b>
Part XIII.1 tax payable from Schedule 92 (item 130)	<b>727</b>
Part XIV tax payable from Schedule 20 (item 131)	<b>728</b>
Total federal tax	0

**Add provincial and territorial tax**

Provincial or territorial jurisdiction (item 132) <b>750</b> 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)	<b>760</b>
Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147)	<b>765</b>
Total tax payable	<b>770</b> 0 A

**Deduct other credits**

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

Refund Code <b>894</b> (item 160)	Overpayment (item 163)	Balance (line A minus line B)	0 I
-----------------------------------	------------------------	-------------------------------	-----

**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

**914** Institution number      **918** Branch number

**910** 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)

<b>950</b> LEDUC Surname	<b>951</b> NICOLE First name	<b>954</b> Manager Position, office or rank
<b>955</b> 2011/09/14 Date	<b>956</b> (705) 372-2815 Telephone number	

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

<b>958</b> Name	<b>959</b> ( ) - 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 \_\_\_\_\_

**Add:**

Amortization of tangible assets	<b>104</b>	167,996	
Total of fields 201 to 294	<b>199</b>	5,371	
Total of fields 101 to 199	<b>500</b>	173,367	▶ 173,367

**Deduct:**

Capital cost allowance - Schedule 8	<b>403</b>	180,174	
Cumulative eligible capital deduction - Schedule 10	<b>405</b>	1,330	
Total of fields 401 to 499	<b>510</b>	181,504	▶ 181,504

**Net income (loss) for income tax purposes** (enter on line 300 of the T2 return) (8,137)

**Add:**

**Other additions:**

602 Statement of partnership interest T5013 - net business income	<b>292</b>	5,371	
Total of fields 201 to 294 (Enter this amount at line 199)		5,371	<u><u>5,371</u></u>



**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							
2002/12/31							
2003/12/31					8,137		8,137
<b>Totals</b>					<b>8,137</b>		<b>8,137</b>

**Current year non-capital loss**

Net income (loss) for income tax purposes	(8,137)
<b>Deduct:</b>	
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"	(8,137)
<b>Deduct:</b> Section 110.5 - addition for foreign tax credits	
<b>Add:</b> Current year farm loss	
<b>Current year non-capital loss</b> (if positive, enter "0")	(8,137)

**Non-capital loss continuity and carry-back request**

Non-capital losses at end of preceding taxation year			
Losses expired after 7 years	<b>100</b>	-	
Non-capital losses - beginning balance	<b>102</b>	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation			<b>105</b> +
Current year non-capital loss from above	<b>110</b>		8,137
<b>Deduct - Non-capital loss carry back to:</b>			
1st preceding taxation year against taxable income	<b>901</b>		
2nd preceding taxation year against taxable income	<b>902</b>		
3rd preceding taxation year against taxable income	<b>903</b>		
1st preceding taxation year against taxable dividends subject to Part IV tax	<b>911</b>		
2nd preceding taxation year against taxable dividends subject to Part IV tax	<b>912</b>		
3rd preceding taxation year against taxable dividends subject to Part IV tax	<b>913</b>		
Current year non-capital loss net of carryback		8,137	+ 8,137
		Subtotal	= 8,137
<b>Deduct:</b>			
Amount applied against taxable income (enter on line 331 of T2 return)	<b>130</b>		
Amount applied against dividends subject to Part IV tax	<b>135</b>		
Section 80 adjustments	<b>140</b>		
Other adjustments	<b>150</b>		
Non-capital losses - ending balance			<b>180</b> = 8,137

**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					
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
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		
<b>Deduct - Farm loss carry back to:</b>			
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	=
<b>Deduct:</b>			
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							
2003/12/31							
Totals							

**Current year restricted farm loss**

Net loss from farming business		<b>485</b>
Deductible farm loss:		
Net loss from above	<b>A</b>	
\$2,500 plus 1/2 (A - \$2,500)	<b>B</b>	2,500
Maximum deduction	<b>C</b>	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	<b>400</b>	-
Restricted farm losses - beginning balance	<b>402</b>	=
Transfers from wind-up of wholly-owned subsidiary and amalgamation		<b>405+</b>
Current year restricted farm loss (enter on line 233 of Schedule 1)	<b>410</b>	
<b>Deduct - Restricted farm loss carry back to:</b>		
1st preceding taxation year against farming income	<b>941</b>	
2nd preceding taxation year against farming income	<b>942</b>	
3rd preceding taxation year against farming income	<b>943</b>	
Current year restricted farm loss net of carry-back		+
<b>Deduct:</b>		
Amount applied against taxable income (enter on line 333 of T2 return)	<b>430</b>	
Section 80 adjustments	<b>440</b>	
Other adjustments	<b>450</b>	
Restricted farm losses - ending balance		<b>480</b>





**Part 1 - Capital loss**

**Capital loss continuity and carry-back request**

<b>Actual</b> capital losses at end of preceding taxation year		<b>200</b>	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		<b>205</b>	
Current year capital loss		<b>210</b>	
			Subtotal
Allowable business investment loss expired as a non-capital loss	X 4/3	<b>220</b>	
			Subtotal
<b>Deduct:</b>			
Amount applied against current year capital gain (see note 1)		<b>225</b>	
Section 80 adjustments		<b>240</b>	
Other adjustments		<b>250</b>	
			Subtotal
<b>Deduct - capital loss carry back to: (see note 2)</b>			
	<b>Net loss applied</b>	<b>Inclusion rate</b>	<b>Actual</b>
1st preceding taxation year	÷	50.0000 % =	<b>951</b>
2nd preceding taxation year	÷	50.0000 % =	<b>952</b>
3rd preceding taxation year	÷	% =	<b>953</b>
		Subtotal	
Capital losses - ending balance			<b>280</b>

**Note 1**

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

**Note 2**

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

**Part 2 - Listed personal property loss**

Year of origin	Balance at end of prior year	Adjustments	Applied	Current year loss net of carry-back	Ending balance
		Expired			
2000/12/31					
2001/12/31					
2002/12/31					
2003/12/31					
Totals					

**Listed personal property loss continuity and carry-back request**

Listed personal property losses at end of preceding taxation year	
Deduct: Listed personal property losses expired after seven taxation years	<b>500</b>
Listed personal property losses - beginning of taxation year	<b>502</b>
Current year listed personal property loss (from Schedule 6)	<b>510</b>
<b>Deduct - Listed personal property loss carry back to:</b>	
1st preceding taxation year	<b>961</b>
2nd preceding taxation year	<b>962</b>
3rd preceding taxation year	<b>963</b>
Listed personal property losses net of carry-back	
	Subtotal
<b>Deduct:</b>	
Amount applied against listed personal property gain (enter on line 655 of Schedule 6)	<b>530</b>
Other adjustments	<b>550</b>
Listed personal property losses - closing balance	<b>580</b>



**LIMITED PARTNERSHIP LOSSES**

**Schedule 4**

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

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

<b>Continuity of limited partnership losses that can be carried forward to future taxation years</b>					
Partnership identifier	Losses at end of preceding taxation year	Losses transferred from amalgamation or wind-up of subsidiary	Current year limited partnership loss (from column 620)	Limited partnership losses applied (cannot exceed 650)	Limited partnership losses closing balance
<b>660</b>	<b>662</b>	<b>664</b>	<b>670</b>	<b>675</b>	<b>680</b>
Total (enter this amount on line 335 of the T2 return)					

**CAPITAL COST ALLOWANCE****Schedule 8**Is the corporation electing under regulation 1101(5q)? **101** 1 Yes  2 No 

1 Class <b>200</b>	2 UCC at start of year <b>201</b>	3 Cost of additions in the year <b>203</b>	4 Net adjustments <b>205</b>	5 Proceeds of dispositions in the year <b>207</b>	7 Adjustment for additions (1/2 x (col 3 - 5)) <b>211</b>	8 Base amount for CCA	9 Rate % <b>212</b>	10 CCA for the year (col 8 x 9 or a lower amount) <b>217</b>	11 Recapture of CCA <b>213</b>	12 Terminal loss <b>215</b>	13 UCC at the end of the year <b>220</b>
1	132,535					132,535	4	5,301			127,234
2	1,036,444	6,733			3,367	1,039,810	6	62,389			980,788
8	218	8,963		1,090	3,937	4,154	20	831			7,260
10	30,242	5,469			2,735	32,976	30	9,893			25,818
8	41,140					41,140	20	8,228			32,912
10	108,380					108,380	30	32,514			75,866
36	7,600					7,600					7,600
12	43,182	35,672			17,836	61,018	100	61,018			17,836
<b>Totals</b>	1,399,741	56,837		1,090	27,875	1,427,613		180,174			1,275,314



- 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)	<b>200</b>	19,002	A
<b>Add:</b>			
Cost of eligible capital property acquired during the taxation year	<b>222</b>		B
Transfer from predecessor or subsidiary corporation	<b>224</b>		C
Other adjustments	<b>226</b>		D
(add amounts B, C, and D)		x 3/4 =	E
<b>Subtotal (amount A plus amount E)</b>	<b>230</b>	19,002	F
<b>Deduct:</b>			
Proceeds of sale (less outlays and expenses) from the disposition of all eligible capital property during the taxation year	<b>242</b>		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	<b>244</b>		H
Other adjustments	<b>246</b>		I
(add amounts G, H, and I)		x 3/4 =	J
<b>Cumulative eligible capital balance (amount F minus amount J)</b>		19,002	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
<b>Current year deduction</b>	amount K	19,002 x 7% =	<b>250</b> 1,330 L
(Deduct amount L on line 405 of Schedule 1)			
<b>Cumulative eligible capital balance at the end of the taxation year</b>	<b>300</b>	17,672	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	<b>400</b>	1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)	<b>401</b>	2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	<b>402</b>	3	
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	<b>408</b>	4	
Line 3 <b>minus</b> line 4		5	
Total of lines 1, 2, and 5		6	
Line T from schedule 10 of previous taxation years ending after February 27, 2000	<b>409</b>	7	
Line 6 <b>minus</b> line 7			O
Line N <b>minus</b> line O (cannot be negative)			P
Amount on line 5 X 1/2			Q
Line P <b>minus</b> line Q			R
Amount on line R X 66.6667 *			S
Lesser of line N or line O			T
<b>Amount to be included in income on line 108 of schedule 1, line S plus line T</b>	<b>410</b>		

\* 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

**AGREEMENT AMONG ASSOCIATED CCPCs  
TO ALLOCATE THE BUSINESS LIMIT  
(2003 and later taxation years)**

**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		2 Business Number	3 Association code
<b>100</b>		<b>200</b>	<b>300</b>
1	HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION	89053 4811 RC 0001	1
2	HEARST POWER SALES AND SERVICES COMPANY LIMITED	86368 9998 RC 0001	1
		RC	0

Allocate business limit using:  %  \$

	Taxation year		4 Business limit for the year (before allocation) \$	Allocating business limit			7 Year end to which this agreement applies if more than one taxation year end in a calendar year <b>500</b>
				5 Percentage of the business limit (%) <b>350</b>	6 Allocation of business limit * \$ <b>400</b>	Provincial allocation for Alberta and Ontario (based on \$200,000)	
	Start	End					
1	2003/01/01	2003/12/31	225,000	100.000	225,000	200,000	
2	2003/01/01	2003/12/31	225,000				
<b>TOTALS</b>				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				Current year
	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part 1.3 tax for business limit reduction	Grossed-up reduced business limit
1	29,534	29,534			225,000
2					
<b>TOTALS</b>	29,534	29,534			225,000



## 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 <b>100</b>	Business Number * <b>200</b>	Social Insurance Number * <b>300</b>	Percentage common shares <b>400</b>	Percentage preferred shares <b>500</b>
The Corporation of the Town of Hearst	10812 7051 RC 0001		100.000	
	RC			

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

**BALANCE SHEET INFORMATION****Schedule 100**

<b>Assets</b>	<b>Code</b>	<b>Amount</b>
Cash and deposits	<b>1000</b>	3,085,222
Accounts Receivable	1060	1,619,076
Inventories	1120	118,956
Taxes recoverable / refundable	1483	31,500
Prepaid expenses	1484	13,171
Land	1600	10,032
Buildings	1680	185,770
Machinery, equipment, furniture and fixtures	1740	410,314
Motor vehicles	1742	441,136
Computer equipment / software	1774	126,970
Goodwill	2012	88,673
Long term investments	2300	24,000
<b>Total assets</b>	<b>2599</b>	<b>6,154,820</b>

<b>Liabilities</b>	<b>Code</b>	<b>Amount</b>
Bank overdraft	<b>2600</b>	
Amounts payable and accrued liabilities	2620	1,710,830
Long term debt	3140	1,700,000
<b>Total liabilities</b>	<b>3499</b>	<b>3,410,830</b>

<b>Equity</b>	<b>Code</b>	<b>Amount</b>
Common shares	<b>3500</b>	10,000
Retained earnings / deficit	<b>3600</b>	2,733,990
<b>Total equity</b>	<b>3620</b>	<b>2,743,990</b>
<b>Total liabilities and equity</b>	<b>3640</b>	<b>6,154,820</b>

<b>Retained earnings</b>	<b>Code</b>	<b>Amount</b>
Retained earnings/deficit-start	<b>3660</b>	2,733,990
Net income / loss	<b>3680</b>	
<b>Total retained earnings</b>	<b>3849</b>	<b>2,733,990</b>

**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	<b>8000</b>	7,843,172
Total sales of goods and services	<b>8089</b>	7,843,172
Investment revenue	8090	97,991
Other revenue	8230	58,385
Total revenue	<b>8299</b>	7,999,548

Cost of sales	Code	Amount
Opening inventory	<b>8300</b>	
Purchases / cost of materials	8320	7,310,843
Cost of sales	<b>8518</b>	7,310,843
Gross profit / loss (item 8089 - item 8518)	<b>8519</b>	532,329

Operating expenses	Code	Amount
Advertising and promotion	8520	440
Meals and entertainment	8523	940
Employee benefits	8620	36,932
Amortization of tangible assets	8670	167,996
Interest and bank charges	8710	14,244
Interest on long term debt	8714	37,495
Office expenses	8810	14,710
Rental	8910	4,342
Repairs and maintenance	8960	113,975
Salaries and wages	9060	122,647
Sub-contracts	9110	30,037
Supplies	9130	121,421
Other expenses	9270	23,526
Total operating expenses	<b>9367</b>	688,705
Total expenses	<b>9368</b>	7,999,548
Net non-farming income	<b>9369</b>	

Farming revenue	Code	Amount
Grains and oilseeds	<b>9370</b>	
Total farm revenue	<b>9659</b>	

Farming expenses	Code	Amount
Crop expenses	<b>9660</b>	
Total farm expenses	<b>9898</b>	
Net farm income	<b>9899</b>	
Net income / loss before taxes and extraordinary items	<b>9970</b>	



**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 -
Deferred income tax provision	9995 -
Net income / loss after taxes and extraordinary items	9999 =

**NOTES CHECKLIST****Schedule 141**

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are that not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information.
- For more information, see the *Guide to the General Index of Financial Information (GIFI) for Corporations* and the *T2 Corporation – Income Tax Guide*.
- For the purposes of this schedule, the person who reported on or prepared the financial statements of the corporation is referred to as the "accounting practitioner".

**Part 1 – Accounting practitioner information**

Choose only one of the following three options, whichever applies to the accounting practitioner:

**096**

- Chartered accountant 1
- Other professional designation 2
- No professional designation 3

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.

**Part 2 – Type of involvement**

Choose the option that represents the highest level of involvement of the accounting practitioner:

**098**

- Completed an auditor's report 1
- Completed a review engagement report 2
- Compiled the financial statements along with reviewing the books 3
- Conducted a compilation engagement 4

**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 you answered Yes to the question at line 101, 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 you answered Yes to the question at line 108, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)?

**109**  Yes  No



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: HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION D Business Number: 890534811

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.

Collins Barrow

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) 362-4261

Representative's telephone number

(705) 362-4641

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 <input type="checkbox"/>	RC _____	RC _____
GST/HST	RT0001 <input type="checkbox"/>	RT _____	RT _____
Payroll deductions	RP0001 <input type="checkbox"/>	RP _____	RP _____
Import/Export	RM0001 <input type="checkbox"/>	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: HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION D Business Number: 890534811

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 <input type="checkbox"/>	RC _____	RC _____
GST/HST	RT0001 <input type="checkbox"/>	RT _____	RT _____
Payroll deductions	RP0001 <input type="checkbox"/>	RP _____	RP _____
Import/Export	RM0001 <input type="checkbox"/>	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 NICOLE LEDUC

Title Manager

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

Sign here ▶ \_\_\_\_\_

Date 2011/09/14

TaxPaid

# Tax instalments paid

Jurisdiction	Description	Date	Amount
Ontario	instalments		31,500
Federal			
Total			31,500

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

## Summary by jurisdiction

Federal	_____	Manitoba	_____
British Columbia	_____	Ontario	_____ 31,500
Alberta	_____		
Saskatchewan	_____		

**INFORMATION RETURN FOR CORPORATIONS  
FILING ELECTRONICALLY**

- You have to complete this return to allow your transmitter to electronically file your corporation income tax return to us at the Canada Customs and Revenue Agency. You have to complete this return for each taxation year.
- By completing part B and signing part C, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part D must be completed by either you or the preparer of your corporation income tax return.
- You have to give the signed original of this return to the transmitter and keep a copy for yourself.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

**Part A – Identification**

Name of corporation HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST			
Business Number 89053 4811 RC 0001	Taxation year: ▶	From 2003/01/01	To 2003/12/31

**Part B – Declaration**

Enter the following amounts, if applicable, from your corporation income tax return for the taxation year noted above :

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (line 300)	(8,137)
Part I tax payable (line 700)	
Part I.3 tax payable (line 704)	
Part II surtax payable (line 708)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	
Provincial tax on large corporations (line 765)	

**Part C – Certification and authorization**

I certify that the amounts in Part B above are correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return.

I authorize the transmitter identified in Part D to electronically file the corporation income tax return identified in Part A. The transmitter can also modify the information originally filed in response to any errors Canada Customs and Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

\_\_\_\_\_  
Signature of an authorized signing officer of the corporation

2011/09/14

\_\_\_\_\_  
Date

**Part D – Transmitter identification**

The following person or firm has electronically filed the tax return of the corporation identified in Part A.

Name of person	<u>COLLINS BARROW</u>	Street address	<u>1021 George street</u>	<u>P.O.Box 637</u>
Name of firm	<u>Collins Barrow</u>	P.O. Box, RR		
		City	<u>Hearst</u>	
		Province	<u>Ontario</u>	
		Postal code	<u>P0L 1N0</u>	

**This return is for your records. Do not send it to us unless we ask for it.**

Summary

# Tax Summary

Tax year ending 2003/12/31

Taxable income		Tax payable	
Net income for tax purposes	(8,137)	Part I tax	
Charitable donations and gifts	-	Part 1.3 tax (large corporations tax)	+
Taxable dividends	-	Taxable dividends received	
Losses of prior years	-	Part IV tax	+
Other adjustments	±	Other federal tax payable	+
<b>Taxable income</b>	<b>=</b>	<b>Subtotal</b>	<b>=</b>
<b>Part I tax</b>		Provincial and territorial tax (except QC,ON,AB)	+
38% of taxable income		Provincial tax on large corporations (NB,NS)	+
Surtax	+	<b>Tax payable</b>	<b>+</b>
Refundable tax on CCPC investment income	+	Tax instalments paid	-
Active business income		Investment tax credit refund	-
Small business deduction	-	Taxable dividends paid	
Federal tax abatement	-	Dividend refund	-
Manufacturing and processing deduction	-	Other refundable credits	-
Foreign tax credits	-	<b>Balance owing (refund) on federal return</b>	<b>=</b>
Political contribution tax credit	-	Provincial income tax (ON,AB,QC)	
Investment tax credit	-	Capital and other provincial taxes	+
Other deductions and credits	-	Tax instalments and credits	- 31,500
<b>Part I tax</b>	<b>=</b>	<b>Other provincial taxes</b>	<b>= (31,500)</b>
		<b>Total balance owing (refund)</b>	<b>(31,500)</b>

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					
<b>Schedule 5 provincial tax payable</b>					
Ontario	(8,137)			31,500	(31,500)
Alberta					
Québec					
<b>Totals</b>				<b>31,500</b>	<b>(31,500)</b>

Loss carryforwards		Other carryforwards	
Capital		Capital dividend account	
Non-capital	8,137	Refundable dividend tax on hand (net of dividend refund)	
Farm		Unused Part 1.3 tax credit	
Restricted farm		Unused surtax credits	623
Limited partnership		Foreign business tax credits	
Listed personal property		Donations and gifts	
		Investment tax credits	

5Year

# 5 Year Tax Summary

Years Ending:	2003/12/31	2002/12/31	2001/12/31	2000/12/31	
<b>Taxable income</b>					
Net Income for tax purposes	(8,137)	29,534	55,660	(35,355)	
Charitable donations and gifts	-	-	-	-	-
Taxable dividends	-	-	-	-	-
Losses of other years	-	-	-	-	-
Other adjustments	±	±	±	±	±
Taxable income	=	= 29,534	= 55,660	=	=
<b>Active business income</b>		29,534	55,660		
<b>Part I tax</b>					
38% of taxable income			21,151		
Surtax	+	+	623	+	+
Refundable tax on CCPC investment income	+	+		+	+
Small business deduction	-	-	8,066	-	-
Federal tax abatement	-	-	5,566	-	-
Manufacturing and processing deduction	-	-		-	-
Foreign tax credits	-	-		-	-
Political contribution tax credit	-	-		-	-
Investment tax credit	-	-		-	-
Other deductions and credits	-	-	367	-	-
Part I tax	=	=	= 7,775	=	=
<b>Tax payable</b>					
Part I tax			7,775		
Part I.3 tax	+	+		+	+
Part IV tax	+	+		+	+
Other federal tax payable	+	+		+	+
Subtotal	=	=	= 7,775	=	=
Provincial and territorial tax (except QC,ON,AB)	+	+		+	+
Provincial tax on large corporations (NB,NS)	+	+		+	+
Tax payable	=	=	= 7,775	=	=
Tax instalments made	-	-		-	-
Investment tax credit refund	-	-		-	-
Dividend refund	-	-		-	-
Other refundable credits	-	-		-	-
Balance owing (refund)	=	=	= 7,775	=	=
Provincial income tax (ON,AB,QC)			3,340		
Capital and other provincial taxes	+	+		+	+
Tax instalments and credits	-	-	10,500	-	-
Other provincial taxes	=	=	= (7,160)	=	=
<b>Total taxes owing (refund)</b>	<b>(31,500)</b>	<b>(42,000)</b>	<b>615</b>		



T2 EDI EFILE#1003		This return has prevent filing audit messages (shown in red in the active auditor). To clear this error, address or sign-off these messages.
Warning	S125#1	Net income / loss after taxes is Nil. Please verify.
Notice	Info	The CRA is changing the URL to the transmission site for Corporate Internet Filing on December 30th, 2005. The default settings in this version of ProFile T2 will transmit to the existing CRA site and will be functional until December 30, 2005. Visit the ProFile menu under Online > Update Information > News/Alerts to review the steps to transmit returns with this version of ProFile T2 after December 30, 2005.
Notice	Info	The preparer information on this return does not match the information in Options Environment. To update the preparer information on this return, open the Info form, right click, and select "Update preparer information".
Notice	OEfile	This return must be filed on disk as corporation is subject to CMT.
Override	S8Supp	Amortization per financial statements (ProFile: 167,996)
Memo	CDA	Net non-taxable ECP gain eligible for CDA: "In the previous ProFile release, the amounts in the Prior Year column of the CDA summary for the 31/12/2003 taxation year data were: ECP amounts of 0 for 1/4 of net proceeds, 0 for proceeds not included in income, 6,368 for 1/4 of expenditures and 0 for other adjustments. These values may not be correct. Review the prior year returns and enter the correct prior year net ECP amount eligible for CDA in the CDA details continuity schedule (CDASupp)."

Net non-taxable ECP gain eligible for CDA

In the previous ProFile release, the amounts in the Prior Year column of the CDA summary for the 31/12/2003 taxation year data were: ECP amounts of 0 for 1/4 of net proceeds, 0 for proceeds not included in income, 6,368 for 1/4 of expenditures and 0 for other adjustments. These values may not be correct. Review the prior year returns and enter the correct prior year net ECP amount eligible for CDA in the CDA details continuity schedule (CDASupp).

September 14, 2011

CBMN FINANCIAL SERVICES INC  
COLLINS BARROW  
1021 George street  
Hearst, Ontario  
P0L 1N0

MS. LEDUC  
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE  
HEARST  
Alexandra Street  
Hearst, ON  
P0L 1N0

Dear MS. LEDUC:

We have transmitted your return electronically to the Canada Customs and Revenue Agency (CCRA) using Corporation Internet Filing. The enclosed copy of the T2 return is for your records. We have prepared this return based on the information you provided to us.

The T2 return shows no balance owing and no refund.

The CT23 Tax Return is being filed on disk. In addition to the disk, please submit the following to the Ontario Ministry of Finance:

- Signed copy of CT23 Certification Form - Diskette Filing
- Financial Statements
- Consent Form

The CT23 return shows a refund of \$31,500.

If you have any questions about your return(s), please contact me at 705-362-4261.

Sincerely yours,

**COLLINS BARROW**

CBMN FINANCIAL SERVICES INC

Enclosure



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 **Page 1 of 20**

Ministry Use

Corporation's Legal Name <i>(including punctuation)</i> HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE			Ontario Corporations Tax Account No. (MOF) 7334207	
Mailing address P.O. BAG 5000 City HEARST Province ON Country CA Postal code P0L 1N0			This Return covers the Taxation Year Start 2003/01/01 End 2003/12/31	
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes		Date of change	year month day	
Registered/Head Office Address P.O. BAG 5000 City HEARST Province ON Country CA Postal code P0L 1N0			Date of Incorporation or Amalgamation 2000/11/02	
Location of Books and Records P.O. BAG 5000 City HEARST Province ON Country CA Postal code P0L 1N0			Ontario Corporation No. (MCBS) 7334207	
Canada Customs and Revenue Agency Business No. 890534811RC0001			Date of Incorporation or Amalgamation 2000/11/02	
Name of person to contact regarding this CT23 Return NICOLE LEDUC		Telephone No. (705) 372-2815	Fax No. ( ) -	
Jurisdiction Incorporated ONTARIO			Date of Incorporation or Amalgamation 2000/11/02	
Address of Principal Office in Ontario <i>(Extra-Provincial Corporations only)</i> (MCBS) City Province Country Postal code			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced Ceased	
Former Corporation Name <i>(Extra-Provincial Corporations only)</i> <input type="checkbox"/> Not Applicable (MCBS)			<input checked="" type="checkbox"/> Not Applicable	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). No. of Schedule(s) 0			Preferred Language / <i>Langue de préférence</i> <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français	
If there is <b>no change</b> to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). <input type="checkbox"/> 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  
NICOLE LEDUC

Title:  Director  Officer  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**  
 Page 2 of 20

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

City	Province	Country	Postal code
------	----------	---------	-------------

2. Ontario Corporation No. (MCBS)

3. Canada Customs and Revenue Agency Business No.

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		Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. <small>(nearest whole percentage)</small>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(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.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(e) The corporation is <b>not</b> 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).
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(c) The corporation is <b>not</b> a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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 (1) box(es) if applicable in sections 1 & 2

- 1**  Canadian-controlled private (CCPC) all year  
(Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2  Other Private
- 3  Public
- 4  Non-share Capital
- 5  Other (specify)
- Share Capital with full voting rights owned by Canadian Residents. (nearest %) 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  
electrical utility

- 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  Hydro successor, Municipal Electrical Utility or subsidiary of either
- 20  Producer and seller of steam for uses other than for the generation of electricity
- 21  Insurance Exchange s.74.4
- 22  Farm Feeder Finance Co-operative Corporation
- 23  Professional Corporation (incorporated professionals only)

Please check (1) box(es) if applicable:

- First Year of Filing
- Final Taxation Year up to Dissolution (wind-up)  
(Note: For discontinued businesses, see Guide.)
- Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- Ammended Return
- Final Taxation Year before Amalgamation
- Acquisition of Control fed s.249(4)  
Date control was acquired: \_\_\_\_\_
- Taxation Year End has changed - Canada Customs and Revenue Agency approval required
- Floating Fiscal Year End

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

# 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±	(8,137)
Subtract: Charitable donations		1	-
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)		2	-
Subtract: Taxable dividends deductible, per federal Schedule 3		3	-
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002R)		4	-
Subtract: Federal Part VI.1 tax		5	-
Subtract: Prior years' losses applied - Non-capital losses	From	704-	
	From	715	
Net capital losses (page 16)	X	rate	50.000000 % = 714-
Farm losses		From	724-
Restricted farm losses		From	734-
Limited partnership losses		From	754-
<b>Taxable income (Non-capital loss)</b>		10 =	(8,137)

Addition to taxable income for unused foreign tax deduction for federal purposes	11 +	
<b>Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)</b>	20 =	

Taxable Income	Number of days in Taxation Year	
	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days
From 10 (or 20) X30 100.0000 % X 12.5 % X 33 365 ÷ 73 365 = 29+	Ontario Allocation	Days after Dec. 31, 2003 Total Days
From 10 (or 20) X30 100.0000 % X 14.0 % X 34 ÷ 73 365 = 32+	Ontario Allocation	
<b>Income Tax Payable (before deduction of tax credits) 29 + 32</b>		<b>40 =</b>

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

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

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the year? (1)  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 (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 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	
Business limit for Ontario purposes 46 + 47	= 44	320,000 X 48	100.0000 % = 45 320,000

<b>Income eligible for the IDSBC</b>	From 30 100.0000 % X 56	60 =
	***Ontario Allocation	Least of 50, 54 or 45

\* **Note:** Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

\*\* **Note:** Adjust accordingly for a floating taxation year and use 366 for a leap year.

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

continued on Page 5

**Income Tax** *continued from Page 4*

		<b>Number of Days in Taxation Year</b>			
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
<b>Calculation of IDSBC Rate</b>	7.0 % X	31	365 ÷	73	365 = 89 + 7.0000
	8.5 % X	34	365 ÷	73	365 = 90 +
<b>IDSBC Rate for Taxation Year</b>		<b>89 + 90</b>			<b>78 = 7.0000</b>
<b>Claim</b>	From	60	X From	78	7.0000 % <b>70 =</b>

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** +

**If you are a member of an associated group (1)** **81**  (Yes)

Taxable income of associated corporations (*Attach schedule*) **82** +

**Aggregate Taxable Income** **85** =

		<b>Number of days in Taxation Year</b>			
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
320,000 X	<b>31</b>	365 ÷	<b>73</b>	365 =	<b>115</b> + 320,000
400,000 X	<b>34</b>	365 ÷	<b>73</b>	365 =	<b>116</b> +
				<b>115 + 116</b>	<b>= 320,000</b> ▶
				<b>114</b> -	<b>320,000</b>
				<b>86</b> =	

(If negative, enter nil)

		<b>Number of Days in Taxation Year</b>			
		Days after Dec. 31, 2002	Total Days		
<b>Calculation of Specified Rate for Surtax</b>	4.667% X	38	365 ÷	73	365 = 97 + 4.6670
From <b>86</b>	X From	<b>97</b>	4.6670 % =		<b>87</b> =
From <b>87</b>	X From	<b>60</b>	÷ From	<b>114</b>	320,000 <b>88</b> =

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

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

*continued on Page 6*



**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 -

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 \_\_\_\_\_ ÷ From 30  $\frac{100.0000}{100} \%$  ÷ From 78  $\frac{7.0000}{100} \%$  = 121 \_\_\_\_\_

\*Ontario Allocation

Lesser of 56 or 121

122+

120 - 56 + 122

130=

**Taxable income**

From 10 +  (8,137)

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=

**Claim**

**Number of Days in Taxation Year**

Days after Dec. 31, 2002 and before Jan. 1, 2004

Total Days

143 \_\_\_\_\_ X From 30  $\frac{100.0000}{100} \%$  X 1.5% X  
Lesser of 130 or 142 \*Ontario Allocation

33 \_\_\_\_\_ ÷ 73 \_\_\_\_\_ = 154+

Days after Dec. 31, 2003

Total Days

143 \_\_\_\_\_ X From 30  $\frac{100.0000}{100} \%$  X 2.0% X  
Lesser of 130 or 142 \*Ontario Allocation

34 \_\_\_\_\_ ÷ 73 \_\_\_\_\_ = 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=

*continued on Page 7*

**Income Tax** *continued from Page 6*

**Specified Tax Credits** *(Refer to Guide)*

**Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies* to scientific research and experimental development in Ontario.

Eligible Credit from **5620** OITC Claim Form *(Attach original Claim Form)* **191** +

**Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.

Eligible Credit from **5798** CT23 Schedule 113 *(Attach Schedule 113)* **192** +

**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)**

*Applies* to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.

Name of Production **204**   
 Eligible Credit from **5850** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* **193** +

**Graduate Transitions Tax Credit (GTTC) (s.43.6)**

*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.

No. of Graduates From **6596**  
 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)**

*Applies* to employment of eligible apprentices.

No. of Apprentices From **5896**  
 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** =

**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** =

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)

<b>Total Assets of the corporation</b>	<b>240+</b>	6,154,821	
<b>Total Revenue of the corporation</b>			<b>241+</b> 7,843,172
<i>The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.</i>			
<b>If you are a member of an associated group (1) 242</b> <input checked="" type="checkbox"/> (Yes)			
Total Assets of associated corporations (Attach schedule)	<b>243+</b>		
Total Revenue of associated corporations (Attach schedule)			<b>244+</b>
<b>Aggregate Total Assets</b>	<b>249=</b>	6,154,821	
<b>Aggregate Total Revenue</b>			<b>250=</b> 7,843,172

## 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	<b>2136</b>	X	From <b>30</b>	100.0000 % X 4%	<b>276=</b>
			If negative, enter zero		Ontario Allocation	
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)						<b>277-</b>
Subtract: Income Tax					From	<b>190-</b>
<b>Net CMT Payable</b> (if negative, enter Nil on page 17.)						<b>280=</b>

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**.

<b>CMT Credit Carryover available</b>	From Schedule 101		From	<b>2333</b>
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## Application of CMT Credit Carryovers

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

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)

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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 +
Retained earnings (if deficit, deduct) (Int.B. 3012R)	351 ±
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012R)	352 +
Loans and advances (Attach schedule)(Int.B. 3013R)	353 +
Bank loans (Int.B. 3013R)	354 +
Bankers acceptances (Int.B. 3013R)	355 +
Bonds and debentures payable (Int.B. 3013R)	356 +
Mortgages payable (Int.B. 3013R)	357 +
Lien notes payable (Int.B. 3013R)	358 +
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	359 +
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 +
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	362 +
<b>Subtotal</b>	<b>370 =</b>
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)	371 -
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	372 -
<b>Total Paid-up Capital</b>	<b>380 =</b>
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381 -
<b>Electrical Generating Corporations Only</b> - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the <i>Corporations Tax Act</i> , and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382 -
<b>Net Paid-up Capital</b>	<b>390 =</b>

**Eligible Investments** (Refer to Guide and Int.B. 3015R)

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	402 +
Mortgages due from other corporations	403 +
Shares in other corporations (certain restrictions apply) (Refer to Guide)	404 +
Loans and advances to unrelated corporations	405 +
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	406 +
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	407 +
<b>Total Eligible Investments</b>	<b>410 =</b>

continued on Page 10

**Capital Tax** *continued from Page 9*

**Total Assets** (Int.B. 3015R)

Total Assets per balance sheet	420+	6,154,821
Mortgages or other liabilities deducted from assets	421+	
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	422+	
Subtract: Investment in partnership(s)/joint venture(s)	423-	
<b>Total Assets as adjusted</b>	<b>430=</b>	<b>6,154,821</b>
Amounts in <b>360</b> and <b>361</b> (if deducted from assets)	440+	
Subtract: Amounts in <b>371</b> , <b>372</b> and <b>381</b>	441-	
Subtract: Appraisal surplus if booked	442-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443±	
<b>Total Assets</b>	<b>450=</b>	<b>6,154,821</b>

<b>Investment Allowance</b> (410 ÷ 450) X 390	Not to exceed 410	460=	
<b>Taxable Capital</b> 390 - 460		470=	

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)			
Gross Revenue of the corporation		7,843,172	
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue ( <i>Attach schedule</i> )			
Aggregate of Gross Revenue		7,843,172	480
<b>Total Assets</b> (as adjusted)	From	430	6,154,821

**Calculation of Capital Tax for all Corporations except Financial Institutions**

**Note:** This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002.

Financial Institutions use calculations on page 13.

- Important:** If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.
- OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.
- OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

**SECTION A**

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018). Enter NIL in **550** on page 12 and complete the return from that point.

**SECTION B**

Calculation of Taxable Capital Deduction (TCD)		Number of Days in Taxation Year			
		Days before Jan. 1, 2005	Total Days		
5,000,000	X	35	365 ÷	73	500 + 5,000,000
			Days after Dec. 31, 2004 and before Jan. 1, 2006		
7,500,000	X	36	÷	73	501 +
			Days after Dec. 31, 2005 and before Jan. 1, 2007		
10,000,000	X	37	÷	73	502 +
<b>Taxable Capital Deduction (TCD)</b>				<b>500 + 501 + 502</b>	<b>503 = 5,000,000</b>

**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 <b>470</b>		Days in taxation year	
- From <b>503</b>			
= <b>471</b>	x From <b>30</b>	x 0.3% x <b>555</b>	= <b>523+</b>
	Ontario Allocation	365 (366 if leap year) If floating taxation year, refer to Guide.	Transfer to <b>543</b> 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** (1 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** (1 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** +

**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** +  
 Aggregate Taxable Capital **470 + 531** **540** =

If **540** above is equal to or less than the TCD **503** on page 10, the corporation's Capital Tax for the taxation year, is NIL.  
 Enter NIL in **523** in section E on page 12, as applicable.  
 If **540** above is greater than the TCD **503** on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From **470** \_\_\_\_\_ ÷ From **540** \_\_\_\_\_ X From **503** \_\_\_\_\_ **541** =  
*Transfer to **542** in Section E on page 12*

**Ss.69(2.1) Election Filed**

**591** (1 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 <b>470</b> _____								
	- <b>542</b> _____								
	= <b>471</b> _____	x	From <b>30</b> _____	% x 0.3% x	<b>555</b> _____	Days in the taxation year	= <b>523</b> + _____		<b>Total Capital Tax for the taxation year</b>
			Ontario Allocation			*365 (366 if leap year)			<i>Transfer to 543 and complete the return from that point</i>

**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 <b>470</b> _____	X	From <b>30</b> _____	x 0.3%					
			Ontario Allocation						= <b>561</b> + _____
	- Capital tax deduction from <b>995</b> relating to <b>your corporation's</b> Capital Tax deduction, on Schedule 591						From <b>995</b> - _____		= _____
									= <b>562</b> = _____
<b>Capital Tax</b>	<b>562</b> _____	x			<b>555</b> _____	Days in taxation year	= <b>563</b> + _____		<i>Transfer to 543 and complete the return from that point</i>
						*365 (366 if leap year)			

\* If floating taxation year, refer to Guide

<b>Capital Tax</b> before application of specified credits	<b>543</b>	= _____
Subtract: Specified Tax Credits applied to reduce capital tax payable ( <i>Refer to Guide</i> )	<b>546</b>	= _____
<b>Capital Tax 543 - 546</b> ( <i>amount cannot be negative</i> )	<b>550</b>	= _____
		<i>Transfer to Page 17</i>

*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.)

$$565 \text{ [Box]} \times 0.6\% \times \text{From } 30 \text{ [Box]} \% \times \frac{\text{Days in taxation year}}{365} = 569+ \text{ [Box]}$$

Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1

Ontario Allocation

(366 if leap year)

$$570 \text{ [Box]} \times 571 \text{ [Box]} \times \text{From } 30 \text{ [Box]} \% \times \frac{\text{Days in taxation year}}{365} = 574+ \text{ [Box]}$$

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

(366 if leap year)

**Capital Tax for Financial Institutions - other than Credit Unions (before Section 2) 569 + 574** **575 =** [Box]

\* 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 =** [Box]Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (1)  Yes**Capital Tax - Financial Institutions 575 - 585** **586 =** [Box]Transfer to **543** on Page 12**Premium Tax (s.74.2 & 74.3)** (Refer to Guide)

(1)  $\frac{\text{Uninsured Benefits Arrangements } 587 \text{ [Box]}}{\text{Applies to Ontario-related uninsured benefits arrangements.}} \times 2\% = 588 = \text{ [Box]}$

- (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 =** [Box]**Premium Tax 588 - 589** **590 =** [Box]

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±** (8,137)  
*Transfer to Page 15*

**Add:**

Federal capital cost allowance	<b>601+</b>	180,174
Federal cumulative eligible capital deduction	<b>602+</b>	1,330
Ontario taxable capital gain	<b>603+</b>	
Federal non-allowable reserves. Balance beginning of year	<b>604+</b>	
Federal allowable reserves. Balance end of year	<b>605+</b>	
Ontario non-allowable reserves. Balance end of year	<b>606+</b>	
Ontario allowable reserves. Balance beginning of year	<b>607+</b>	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	<b>608+</b>	
Federal resource allowance ( <i>Refer to Guide</i> )	<b>609+</b>	
Federal depletion allowance	<b>610+</b>	
Federal foreign exploration and development expenses	<b>611+</b>	
Crown charges, royalties, rentals, etc. deducted for Federal purposes ( <i>Refer to Guide</i> )	<b>617+</b>	
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				
<b>612</b>	X 5/12.5 X	<b>33</b>	365 ÷	<b>73</b>	365 =	<b>633+</b>	
<hr/>							
	Days after Dec. 31, 2003		Total Days				
<b>612</b>	X 5/14.0 X	<b>34</b>	÷	<b>73</b>	365 =	<b>634+</b>	

Total add-back amount for Management fees, etc. <b>633 + 634 =</b>	<b>613+</b>	
Federal Scientific Research Expenses claimed in year from line <b>460</b> of fed. form T661 excluding any negative amount in <b>473</b> from Ont. CT23 Schedule 161	<b>615+</b>	
Add any negative amount in <b>473</b> from Ont. CT23 Schedule 161	<b>616+</b>	
Federal allowable business investment loss	<b>620+</b>	
Total of other items not allowed by Ontario but allowed federally ( <i>Attach schedule</i> )	<b>614+</b>	
<b>Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614</b>	<b>=</b>	<b>181,504 640</b> <span style="float: right;">181,504</span>
		<i>Transfer to Page 15</i>

**Deduct:**

Ontario capital cost allowance (excludes amounts deducted under <b>675</b> )	<b>650+</b>	180,174
Ontario cumulative eligible capital deduction	<b>651+</b>	1,330
Federal taxable capital gain	<b>652+</b>	
Ontario non-allowable reserves. Balance beginning of year	<b>653+</b>	
Ontario allowable reserves. Balance end of year	<b>654+</b>	
Federal non-allowable reserves. Balance end of year	<b>655+</b>	
Federal allowable reserves. Balance beginning of year	<b>656+</b>	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) ( <i>Retain calculations. Do not submit.</i> )	<b>657+</b>	
Ontario depletion allowance	<b>658+</b>	
Ontario resource allowance ( <i>Refer to Guide</i> )	<b>659+</b>	
Ontario current cost adjustment ( <i>Attach schedule</i> )	<b>661+</b>	
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	<b>675+</b>	
<b>Subtotal of deductions for this page 650 to 659 + 661 + 675</b>	<b>681</b>	<b>181,504</b>
		<i>Transfer to Page 15</i>

*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 <b>600±</b>	(8,137)
Total of Additions on page 14	From <b>640=</b>	181,504
<hr/>		
Sub Total of deductions on page 14	From <b>681=</b>	181,504

**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  $\times 100/30$   $\frac{100.0000}{30}$  - From **662** **663=**

Ontario Allocation

**Workplace Child Care Tax Incentive (WCCT)**

*(Applies to eligible expenditures incurred prior to January 1, 2005.)*

Qualifying expenditures: **665**  $\times 30\%$   $\times 100/30$   $\frac{100.0000}{30}$  **666=**

Ontario Allocation

**Workplace Accessibility Tax Incentive (WATI)**

*(Applies to eligible expenditures incurred prior to January 1, 2005.)*

Qualifying expenditures: **667**  $\times 100\%$   $\times 100/30$   $\frac{100.0000}{30}$  **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**  $\times 30\%$   $\times 100/30$   $\frac{100.0000}{30}$  **671=**

Ontario Allocation

**Educational Technology Tax Incentive (ETTI)**

*(Applies to eligible expenditures incurred prior to January 1, 2005.)*

Qualifying expenditures **672**  $\times 15\%$   $\times 100/30$   $\frac{100.0000}{30}$  **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** = **181,504** **680** 181,504

**Net income (loss) for Ontario Purposes** **600 + 640 - 680** **690=** (8,137)  
*Transfer to Page 4*

**Continuity of Losses Carried Forward****CT23 Page 16 of 20**

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	<b>700 (2)</b>	<b>710 (2)</b>	<b>720 (2)</b>	<b>730</b>	<b>740</b>	<b>750</b>
<b>Add:</b>	<b>701</b>	<b>711</b>	<b>721</b>	<b>731</b>	<b>741</b>	<b>751</b>
Current year's losses (7)	8,137					
Losses from predecessor corporations (3)	<b>702</b>	<b>712</b>	<b>722</b>	<b>732</b>		<b>752</b>
	<b>703</b>	<b>713</b>	<b>723</b>	<b>733</b>	<b>743</b>	<b>753</b>
<b>Subtotal</b>	<b>8,137</b>					
<b>Subtract:</b>	<b>704 (2)</b>	<b>715 (2)(4)</b>	<b>724 (2)</b>	<b>734 (2)(4)</b>	<b>744 (4)</b>	<b>754 (4)</b>
Utilized during the year to reduce taxable income Expired during the year Carried back to prior years to reduce taxable income (5)	<b>705</b>		<b>725</b>	<b>735</b>	<b>745</b>	
<b>Subtotal</b>	<b>706 (2) To Pg 17</b>	<b>716 (2) To Pg 17</b>	<b>726 (2) To Pg 17</b>	<b>736 (2) To Pg 17</b>	<b>746</b>	
	<b>707</b>	<b>717</b>	<b>727</b>	<b>737</b>	<b>747</b>	<b>757</b>
<b>Balance at End of Year</b>	<b>709 (8)</b>	<b>719</b>	<b>729</b>	<b>739</b>	<b>749</b>	<b>759</b>
	8,137					

**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
<b>800</b> 9th preceeding taxation year	<b>817 (6)</b>	<b>860 (6)</b>		<b>850</b>	<b>870</b>
<b>801</b> 8th preceeding taxation year	<b>818 (6)</b>	<b>861 (6)</b>		<b>851</b>	<b>871</b>
<b>802</b> 7th preceeding taxation year	<b>819 (6)</b>	<b>862 (6)</b>		<b>852</b>	<b>872</b>
<b>803</b> 6th preceeding taxation year	<b>820</b>	<b>830</b>	<b>840</b>	<b>853</b>	<b>873</b>
<b>804</b> 5th preceeding taxation year	<b>821</b>	<b>831</b>	<b>841</b>	<b>854</b>	<b>874</b>
<b>805</b> 4th preceeding taxation year	<b>822</b>	<b>832</b>	<b>842</b>	<b>855</b>	<b>875</b>
<b>806</b> 3rd preceeding taxation year 2000/12/31	<b>823</b>	<b>833</b>	<b>843</b>	<b>856</b>	<b>876</b>
<b>807</b> 2nd preceeding taxation year 2001/12/31	<b>824</b>	<b>834</b>	<b>844</b>	<b>857</b>	<b>877</b>
<b>808</b> 1st preceeding taxation year 2002/12/31	<b>825</b>	<b>835</b>	<b>845</b>	<b>858</b>	<b>878</b>
<b>809</b> Current taxation year 2003/12/31	<b>826</b> 8,137	<b>836</b>	<b>846</b>	<b>859</b>	<b>879</b>
<b>Total</b>	<b>829</b> 8,137	<b>839</b>	<b>849</b>	<b>869</b>	<b>889</b>

**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:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
<b>Total amount of loss</b>	910	920	930	940
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income.	8,137			
	911	921	931	941
i) 3rd preceding Predecessor Corporation's Account No. (MOF) 901 Taxation Year Ending 2000/12/31				
ii) 2nd preceding 902 2001/12/31	912	922	932	942
iii) 1st preceding 903 2002/12/31	913	923	933	943
<b>Total loss to be carried back</b>	From 706	From 716	From 726	From 736
<b>Balance of loss available for carry-forward</b>	919	929	939	949
	8,137			

## Summary

Income Tax	From 230 or	320 +	
Corporate Minimum Tax	From	280 +	
Capital Tax	From	550 +	
Premium Tax	From	590 +	
<b>Total Tax Payable</b>		<b>950 =</b>	
Subtract:	Payments	960 -	31,500
	Capital Gains Refund (s.48)	965 -	
	Qualifying Environmental Trust Tax Credit (Refer to Guide)	985 -	
	Specified Tax Credits (Refer to Guide)	955 -	
<b>Balance</b>		<b>970 =</b>	(31,500)
<b>If payment due</b>	Enclosed *	<b>990</b>	
<b>If overpayment: Refund</b> (Refer to Guide)		<b>975 =</b>	31,500
<b>Apply to</b>		<b>980</b>	

(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		
NICOLE LEDUC		
Title		
Manager		
Full Residence Address		
Alexandra Street		
City		
Hearst		
Province	Country	Postal Code
ON		POL 1N0
Signature		Date
		2011/09/14

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

Corporation's Legal Name HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION	Ontario Corporations Tax Account No. (MOF) 731207	Taxation Year End 2003/12/31
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**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±

**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) <span style="float: right;">x 3 =</span>	2109+	
<hr/>		
	=	▶ 2110-

**Subtotal**
**Add (to extent reflected in net income/loss):**

Provision for current taxes / cost of current income taxes	2111+	
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+	
<hr/>		
	=	▶ 2116+

**Subtotal**
**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=

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=

Deduct: CMT losses: pre-1994 Loss From 2210+  
 CMT losses: other eligible losses 2211+  
= ▶ 2135-

**CMT Base** 2136=

*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							
Totals							

<b>Balance at Beginning of year</b> Notes (1), (2)		<b>2201 +</b>
<b>Add:</b> Current year's losses	<b>2202 +</b>	
Losses from predecessor corporations on amalgamation Note (3)	<b>2203 +</b>	
Losses from predecessor corporations on wind-up Note (3)	<b>2204 +</b>	
Amalgamation (1) <b>2205</b> <input type="checkbox"/> Yes Wind-up (1) <b>2206</b> <input type="checkbox"/> Yes		
<b>Subtotal</b>	<b>=</b>	<b>2207 +</b>
Adjustments (attach schedule)		<b>2208 ±</b>
<b>CMT losses available 2201 + 2207 ± 2208</b>		<b>2209 =</b>
<b>Subtract:</b> Pre-1994 loss utilized during the year to reduce adjusted net income	<b>2210 +</b>	
Other eligible losses utilized during the year to reduce adjusted net income Note (4)	<b>2211 +</b>	
Losses expired during the year	<b>2212 +</b>	
<b>Subtotal</b>	<b>=</b>	<b>2213 -</b>
<b>Balances at End of Year</b> Note (5) <b>2209 - 2213</b>		<b>2214 =</b>

- 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	2264	2284
2245	2265	2285
2246 2000/12/31	2266	2286
2247 2001/12/31	2267	2287
2248 2002/12/31	2268	2288
2249 2003/12/31	2269	2289
<b>Totals</b>	<b>2270</b>	<b>2290</b>

**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							
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 (1) **2315**  Yes Wind-up (1) **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	2365	2385
2346	2366	2386
2347 2001/12/31	2367	2387
2348 2002/12/31	2368	2388
2349 2003/12/31	2369	2389
<b>Totals</b>	<b>2370</b>	<b>2390</b>

*The sum of amounts 2370 + 2390 must equal the amount in 2336.*

OS4N  
Schedule 4

# Ontario non-capital loss continuity

## 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
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31					8,137		8,137
Totals					8,137		8,137

### Current year non-capital loss

Net income (loss) for Ontario tax purposes		(8,137)
<b>Deduct:</b>		
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		
	Subtotal - if positive, enter "0"	(8,137)
<b>Deduct:</b> Section 110.5 - addition for foreign tax credits		
<b>Add:</b> Current year farm loss		
<b>Current year non-capital loss</b> (if positive, enter "0")		(8,137)

### Non-capital loss continuity and carry-back request

Non-capital losses at end of preceding taxation year			
Losses expired after 7 years	-		
Non-capital losses - beginning balance	=		
Transfers from wind-up of wholly-owned subsidiary and amalgamation			+
Current year non-capital loss from above	8,137		
<b>Deduct - Non-capital loss carry back to:</b>			
1st preceding taxation year against taxable income			
2nd preceding taxation year against taxable income			
3rd preceding taxation year against taxable income			
Current year non-capital loss net of carryback	8,137	+	8,137
	Subtotal	=	8,137
<b>Deduct:</b>			
Amount applied against taxable income (enter on line 704 of the CT23)			
Section 80 adjustments			
Other adjustments			
Non-capital losses - ending balance		-	8,137





OS4N  
Schedule 4

# Ontario non-capital loss continuity

## 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
2000/12/31							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

### Current year restricted farm loss

Net loss from farming business		
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	-	
Restricted farm losses - beginning balance	=	
Transfers from wind-up of wholly-owned subsidiary and amalgamation		+
Current year restricted farm loss		
<b>Deduct - Restricted farm loss carry back to:</b>		
1st preceding taxation year against farming income		
2nd preceding taxation year against farming income		
3rd preceding taxation year against farming income		
Current year restricted farm loss net of carry-back		+
<b>Deduct:</b>		
Amount applied against taxable income (enter on line 734 of the CT23)		
Section 80 adjustments		
Other adjustments		
Restricted farm losses - ending balance		=

ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name <b>HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST</b>	Ontario Corporations Tax Account No. (MOF) <b>7334207</b>	Taxation Year End <b>2003/12/31</b>
---	--	--

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	132,535				132,535		132,535	4			5,301	127,234
2	1,036,444	6,733			1,043,177	3,367	1,039,810	6			62,389	980,788
8	218	8,963		1,090	8,091	3,937	4,154	20			831	7,260
10	30,242	5,469			35,711	2,735	32,976	30			9,893	25,818
8	41,140				41,140		41,140	20			8,228	32,912
10	108,380				108,380		108,380	30			32,514	75,866
36	7,600				7,600		7,600					7,600
12	43,182	35,672			78,854	17,836	61,018	100			61,018	17,836
<b>Totals</b>	<b>1,399,741</b>	<b>56,837</b>		<b>1,090</b>		<b>27,875</b>	<b>1,427,613</b>				<b>180,174</b>	<b>1,275,314</b>

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.

Corporation's Legal Name HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION	Ontario Corporations Tax Account No. RMBT7334207	Taxation Year End 2003/12/31
---	---	---------------------------------

- 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)			19,002	A	
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	+			B	
Amount transferred on amalgamation or wind-up of subsidiary	+			C	
Other adjustments	+			D	
<b>Total of B + C + D</b>	=		x 3/4=	E	
<b>Subtotal A + E</b>			=	19,002	F
<b>Deduct:</b> 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 <i>Income Tax Act</i> (Canada)	+			H	
Other adjustments	+			I	
<b>Total of G + H + I</b>	=		x 3/4=	J	
<b>Ontario cumulative eligible capital balance F - J</b>			=	19,002	K

If K is negative, enter zero at line M and proceed to Part 2

<b>Current year deduction</b>	19,002	K	x 7%*	=	1,330	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

<b>Ontario cumulative eligible capital - closing balance K - L (if negative, enter zero)</b>	=	17,672	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
<b>N - O (cannot be negative)</b>				P
Amount on line 5		x 1/2		Q
<b>P - Q</b>				R
Amount on line R		x 66.6667		S
Lesser of line N or line O				T
<b>Amount to be included in income S + T</b>				

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S



**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 HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST	Ontario Corporations Tax Account No. (MOF) 788207	Taxation Year End 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
HEARST POWER SALES AND SERVICES COMPANY LIMITED	1800108	2003/12/31	
Aggregate of taxable capital			

Transfer to **540** of the CT23

OConsent

# 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

HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

Ontario Corporations Tax Account Number

7334207

**2. Authorized third party identification**

Authorized individuals' name

Address

Phone number

( ) -

Authorized firm's name

Collins Barrow

Address

1021 George street P.O.Box 637 Hearst, Ontario P0L 1N0

Phone number

(705) 362-4261

**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)**

NICOLE LEDUC

Name

(705) 372-2815

Telephone number

2011/09/14

Date signed

Manager

Position, office or rank

Signature of client or authorized signing officer



Ministry of Finance

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

CT23 - Certification Form Diskette
Filing

Corporations Tax Account Number
7334207

Return I.D. # (Ministry Use Only)

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
2000/11/02
Return for taxation year
Start 2003/01/01
End 2003/12/31
CCRA Business No.
890534811RC0001
Jurisdiction Incorporated
ONTARIO

Corporation's legal name and mailing address
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST
Change of information? Yes No X
Care of

Address
P.O. BAG 5000

City Province Country Postal code
HEARST ON CA P0L 1N0

Transmitter Details

Transmitter number
Transmitter name
Name of person to contact COLLINS BARROW
Telephone number (705) 362-4261
Facsimile number (705) 362-4641
Transmitter Address 1021 GEORGE STREET P.O. BOX 637 HEARST, ON P0L 1N0

Disk Reference Number
Aggregate of Total Revenue 210 7,843,172
Aggregate of Total Assets 209 6,154,821
Taxable Income (Non-capital Loss) 10 (8,137)
Total Tax Payable 950
Payments: 990 31,500
Enclosed:

Apply to: Year
Apply Amount:

975 Refund: Yes X No
If Yes, Due to:
Loss Carryback: Yes No X
Overpayment: Yes X No
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
NICOLE LEDUC
Title
Manager
Full Residence address
Alexandra Street

City
Hearst
Province Country Postal code
ON ON P0L 1N0

Signature
Phone Number Date
(705) 372-2815 2011/09/14

ProFile Version 2004.5.0 Approval code 060E

## Payment Advice

Corporations Tax Account Number	<u>7334207</u>	Enter the amount of payment and indicate taxation year.	
Date of Incorporation	<u>2000/11/02</u>	<b>Taxation Year End</b>	<b>Payment amount</b>
Corporation Name			\$ _____
HEARST POWER DISTRIBUTION COMPANY LIMITED CORPORATION D		<u>2003/12/31</u>	\$ _____
		<b>Total Payment</b>	\$ _____

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.***





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 corporation 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. For more information on how to complete the return, see the T2 Corporation - Income Tax Guide (T4012).

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's tax 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 89053 4811 RC 0001

Corporation's name 002 HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

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 this address changed since the last time we were notified? 010 Yes No

(If Yes, complete lines 011 to 018) 011 P.O. BAG 5000 012 City Province, territory, or state 015 HEARST 016 ON 017 Country (other than Canada) 018 POL 1N0

To which tax year does this return apply? 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 tax year? 063 Yes No

If Yes, provide the date control was acquired 065

Is the corporation a professional corporation that is a member of a partnership? 067 Yes No

Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 Yes No

(If Yes, complete lines 021 to 028) 021 c/o 022 P.O. BAG 5000 023 City Province, territory, or state 025 HEARST 026 ON 027 Country (other than Canada) 028 POL 1N0

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 tax year? If Yes, complete and attach Schedule 24 072 Yes No

Is this the final tax year before amalgamation? 076 Yes No

Location of books and records Has the location of books and records changed since the last time we were notified? 030 Yes No

(If Yes, complete lines 031 to 038) 031 P.O. BAG 5000 032 City Province, territory, or state 035 HEARST 036 ON 037 Country (other than Canada) 038 POL 1N0

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.

040 Type of corporation at the end of the tax 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 tax 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: 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

091 092 093 094 095 096 100

**Attachments**

**Financial statement information:** Use GIF1 schedules 100, 125, and 141.

**Schedules** - Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.

	Yes	Schedule
Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160 <input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168 <input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	----
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202 <input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206 <input type="checkbox"/>	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 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	210 <input checked="" type="checkbox"/>	10
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233 <input type="checkbox"/>	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236 <input type="checkbox"/>	36
Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax?	255 <input type="checkbox"/>	92 *

\* We do not print this schedule.

**Attachments - Continued from page 2**

**Yes Schedule**

Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<b>256</b>	T1134-A
Did the corporation have any controlled foreign affiliates?	<b>258</b>	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<b>259</b>	T1135
Did the corporation transfer or loan property to a non-resident trust?	<b>260</b>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<b>261</b>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<b>262</b>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<b>263</b>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<b>264</b>	T1174

**Additional information**

Is the corporation inactive?	<b>280</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter Yes for first-time filers)	<b>281</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (Only complete if Yes was entered at line 281.)	<b>282</b>		
If the major business activity involves the resale of goods, show whether it is wholesale or retail	<b>283</b>	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	<b>284</b>	<b>ELECTRICAL UTILITY</b>	<b>285</b> 100.000 %
	<b>286</b>		<b>287</b> %
	<b>288</b>		<b>289</b> %
Did the corporation immigrate to Canada during the tax year?	<b>291</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	<b>292</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	<b>300</b>	59,536	A
<b>Deduct:</b> Charitable donations from Schedule 2	<b>311</b>		
Gifts to Canada, a province, or a territory from Schedule 2	<b>312</b>		
Cultural gifts from Schedule 2	<b>313</b>		
Ecological gifts from Schedule 2	<b>314</b>		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	<b>320</b>		
Part VI.1 tax deduction from Schedule 43 *	<b>325</b>		
Non-capital losses of preceding tax years from Schedule 4	<b>331</b>	8,137	
Net capital losses of preceding tax years from Schedule 4	<b>332</b>		
Restricted farm losses of preceding tax years from Schedule 4	<b>333</b>		
Farm losses of preceding tax years from Schedule 4	<b>334</b>		
Limited partnership losses of preceding tax years from Schedule 4	<b>335</b>		
Taxable capital gains or taxable dividends allocated from a central credit union	<b>340</b>		
Prospector's and grubstaker's shares	<b>350</b>		
Subtotal		8,137	B
Subtotal (amount A minus amount B) (if negative, enter "0")		51,399	C
<b>Add:</b> Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	<b>355</b>		D
<b>Taxable income</b> (amount C plus amount D)	<b>360</b>	51,399	
Income exempt under paragraph 149(1)(t)	<b>370</b>		
<b>Taxable income</b> 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 tax year**

Income from active business carried on in Canada from Schedule 7	<b>400</b>	59,536	A
Taxable income from line 360 on page 3, <b>minus</b> 10/3 of the amount on line 632 on page 7, <b>minus</b> 3 times the amount on line 636 on page 7, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax	<b>405</b>		B

**Calculation of the business limit:**

For all CCPCs, calculate the amount at line 4 below.

\$250,000 x	$\frac{\text{Number of days in the tax year in 2004}}{\text{Number of days in the tax year}}$	366	=	250,000	1
\$300,000 x	$\frac{\text{Number of days in the tax year in 2005 and in 2006}}{\text{Number of days in the tax year}}$	366	=	2	2
\$400,000 x	$\frac{\text{Number of days in the tax year after 2006}}{\text{Number of days in the tax year}}$	366	=	3	3
	Add amounts at lines 1, 2, and 3			250,000	4

Business limit (see notes 1 and 2 below)	<b>410</b>		C
--	------------	--	---

**Notes:** 1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.

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

**Business limit reduction:**

Amount C	x	<b>415</b>	=	D			E
				11,250			

Reduced business limit (amount C minus amount E) (if negative, enter "0")	<b>425</b>	0	F
---	------------	---	---

<b>Small business deduction</b> – 16% of whichever amount is the least: A, B, C, or F	<b>430</b>	0	G
---	------------	---	---

(enter amount G on line 9 of page 7)

**Accelerated tax reduction**

(For tax years ending before January 1, 2006)

**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 <b>minus</b> 3 times the amount at line 636** on page 7, and <b>minus</b> 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
--	--	--	--	--	---

<b>Accelerated tax reduction</b> - 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.

**Resource deduction**

Taxable resource income [as defined in subsection 125.11(1)]		<b>435</b>	H
Amount H _____ x	<u>Number of days in the taxation year in 2003</u>	_____ x 1% = _____	I
	Number of days in the taxation year	366	
Amount H _____ x	<u>Number of days in the taxation year in 2004</u>	_____ x 2% = _____	J
	Number of days in the taxation year	366	
Amount H _____ x	<u>Number of days in the taxation year in 2005</u>	_____ x 3% = _____	K
	Number of days in the taxation year	366	
Amount H _____ x	<u>Number of days in the taxation year in 2006</u>	_____ x 5% = _____	L
	Number of days in the taxation year	366	
Amount H _____ x	<u>Number of days in the taxation year after 2006</u>	_____ x 7% = _____	M
	Number of days in the taxation year	366	
<b>Resource deduction</b> – total of amounts I, J, K, L, and M		<b>438</b>	N
(enter amount N on line 10 of page 7)			

**General tax reduction for Canadian-controlled private corporations**

**Canadian-controlled private corporations throughout the tax 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		
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least _____	F		
Aggregate investment income from line 440 of page 6 _____	G		
Amount used to calculate the accelerated tax reduction (amount m of page 4) _____			
Subtotal		_____	H
Amount A minus amount H (if negative, enter "0") _____		_____	I
<b>General tax reduction for Canadian-controlled private corporations</b> - Amount x 7%		_____	J
(Enter amount J on line 638 of page 7)			

**General tax reduction**

**Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation; and for tax years starting after May 1, 2006, any corporation with taxable income that is not subject to the full tax rate of 38% (eg. deposit insurance company).**

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 <b>minus</b> amount R (if negative, enter "0") _____		_____	S
<b>General tax reduction</b> - Amount S x 7%		_____	T
(enter amount T on line 639 of page 7)			

**Refundable portion of Part I tax**

**Canadian-controlled private corporations throughout the tax year**

Aggregate investment income **440** X 26 2/3 % = \_\_\_\_\_ A  
 (Amount O from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 \_\_\_\_\_

**Deduct:**

Foreign investment income **445** X 9 1/3 % = \_\_\_\_\_ B  
 (Amount L from Part 2 of Schedule 7) (if negative, enter "0")

Amount A **minus** amount B (if negative, enter "0") \_\_\_\_\_ C

Taxable income from line 360 on page 3 \_\_\_\_\_ 51,399

**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 = \_\_\_\_\_

\_\_\_\_\_ 51,399 X 26 2/3% = \_\_\_\_\_ 13,706 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8) \_\_\_\_\_

**Deduct:** Corporate surtax from line 600 of page 7 \_\_\_\_\_

Net amount \_\_\_\_\_ E

**Refundable portion of Part I tax** – Amount C, D, or E, whichever is the least **450** \_\_\_\_\_ 0 F

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the preceding tax year **460** \_\_\_\_\_

**Deduct:** Dividend refund for the previous tax year **465** \_\_\_\_\_ G

**Add the total of:**

Refundable portion of Part I tax from line 450 above \_\_\_\_\_

Total Part IV tax payable from line 360 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** \_\_\_\_\_ H

**Refundable dividend tax on hand at the end of the tax year** - Amount G **plus** amount H **485** \_\_\_\_\_ 0

**Dividend refund**

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

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 \_\_\_\_\_ X 1/3 \_\_\_\_\_ I

Refundable dividend tax on hand at the end of the tax year from line 485 above \_\_\_\_\_ J

**Dividend refund** – Amount I or J, whichever is less (enter this amount on line 784 of 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 **550** 0 A

**Corporate surtax calculation**

Base amount from line A above \_\_\_\_\_ 1

**Deduct:**

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 \_\_\_\_\_ 5,140 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 tax 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 \_\_\_\_\_ c

(line A plus line C and D minus line F) \_\_\_\_\_

Total of lines 2 to 6 \_\_\_\_\_ 5,140 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 III in Part 24 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 tax year)

Aggregate investment income from line 440 on page 6 \_\_\_\_\_ i

Taxable income from line 360 on page 3 \_\_\_\_\_ 51,399

**Deduct:**

Amount on line 400, 405, 410, or 425 of page 4, whichever is the least \_\_\_\_\_

Net amount \_\_\_\_\_ 51,399 ▶ 51,399 ii

**Refundable tax on CCPC's investment income** – 6 2/3% of whichever is less: amount i or ii **604** D

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

**Deduct:**

Small business deduction from line 430 on page 4 \_\_\_\_\_ 9

Federal tax abatement **608**

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 J on page 5 **638**

General tax reduction from amount T on page 5 **639**

Federal logging tax credit from Schedule 21 **640**

Federal political contribution tax credit **644**

Federal political contributions **646**

Federal qualifying environmental trust tax credit **648**

Investment tax credit from Schedule 31 **652**

Apprenticeship Job Creation Tax Credit (Applicable for salaries and wages paid to qualifying apprentices on or after May 2, 2006) \_\_\_\_\_

Subtotal \_\_\_\_\_ F

**Part I tax payable** – Line E minus line F (enter amount G on line 700 of page 8) \_\_\_\_\_ 0 G

**Summary of tax and credits**

**Federal tax**

Part I tax payable from page 7	700
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 0

**Add provincial and territorial tax:**

Provincial or territorial jurisdiction	750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)	
Net provincial or territorial tax payable (except Quebec, Ontario and Alberta)	760
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765

Total tax payable 770 0 A

**Deduct other credits:**

Investment tax credit refund from Schedule 31	780
Dividend refund from page 6	784
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	792
Canadian film or video production tax credit refund (Form T1131)	796
Film or video production services tax credit refund (Form T1177)	797
Tax withheld at source	800
Total payments on which tax has been withheld	801
Allowable refund for non-resident-owned investment corporations - Schedule 26	804
Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840

Total credits 890 B

Refund Code 894 Overpayment

Balance (line A minus line B) 0 I

**Direct Deposit Request**

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

Start  Change information 910

Branch number

914 Institution number 918 Account number

If the result is negative, you have an **overpayment**.  
 If the result is positive, you have a **balance unpaid**.  
 Enter the amount on whichever line applies.  
 Generally, we do not charge or refund a difference of \$2 or less.  
 Balance unpaid  
 Enclosed payment 898

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes  2 No  NA

**Certification**

950 LEDUC Surname 951 NICOLE First name 954 Manager Position, office or rank

955 2011/09/14 Date 956 (705) 372-2815 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





Canada Revenue Agency  
 Agence du revenu du Canada

**NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

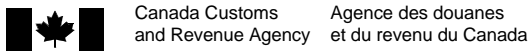
**Schedule 1**

- 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			<b>A</b>	40,975
<b>Add:</b>				
Provision for income taxes - current	<b>101</b>	10,025		
Amortization of tangible assets	<b>104</b>	131,059		
Total of fields 201 to 294	<b>199</b>	2,230		
Total of fields 101 to 199	<b>500</b>	143,314	▶	143,314
<b>Deduct:</b>				
Capital cost allowance - Schedule 8	<b>403</b>	123,516		
Cumulative eligible capital deduction - Schedule 10	<b>405</b>	1,237		
Total of fields 401 to 499	<b>510</b>	124,753	▶	124,753
<b>Net income (loss) for income tax purposes</b> (enter on line 300 of the T2 return)				<u>59,536</u>
<b>Add:</b>				
<b>Other additions:</b>				
<b>603</b> Income from 2003 not recorded last year			<b>293</b>	2,230
Total of fields 201 to 294 (Enter this amount at line 199)				<u>2,230</u>

Canada Revenue  
AgencyAgence du revenu  
du Canada**CAPITAL COST ALLOWANCE****Schedule 8**Is the corporation electing under regulation 1101(5q)? **101** 1 Yes  2 No 

1 Class <b>200</b>	2 UCC at start of year <b>201</b>	3 Cost of additions in the year <b>203</b>	4 Net adjustments <b>205</b>	5 Proceeds of dispositions in the year <b>207</b>	7 Adjustment for additions (1/2 x (col 3 - 5)) <b>211</b>	8 Base amount for CCA	9 Rate % <b>212</b>	10 CCA for the year (col 8 x 9 or a lower amount) <b>217</b>	11 Recapture of CCA <b>213</b>	12 Terminal loss <b>215</b>	13 UCC at the end of the year <b>220</b>
1	127,234	15,800			7,900	135,134	4	5,405			137,629
2	980,788	11,763			5,882	986,669	6	59,200			933,351
8	7,260					7,260	20	1,452			5,808
10	25,818					25,818	30	7,745			18,073
8	32,912	13,411			6,706	39,617	20	7,923			38,400
10	75,866					75,866	30	22,760			53,106
36	7,600					7,600					7,600
12	17,836					17,836	100	17,836			
45		5,313			2,657	2,656	45	1,195			4,118
<b>Totals</b>	1,275,314	46,287			23,145	1,298,456		123,516			1,198,085



**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION**

**Schedule 10**

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

<b>Cumulative eligible capital</b> - Balance at the end of the preceding taxation year (if negative, enter "0")	<b>200</b>	17,672	A
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	<b>222</b>		
Other adjustments	<b>226</b>		
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	<b>228</b>	x 1/2 =	C
amount B minus amount C (if negative, enter "0")			D
Amount transferred on amalgamation or wind-up of subsidiary	<b>224</b>		E
Subtotal (add amounts A, D, and E)	<b>230</b>	17,672	F
<b>Deduct:</b> Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	<b>242</b>		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	<b>244</b>		H
Other adjustments	<b>246</b>		I
(add amounts G, H, and I)		x 3/4 =	<b>248</b> J
<b>Cumulative eligible capital balance</b> (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)		17,672	K
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	<b>249</b>		
amount K		17,672	
less amount from line 249			
<b>Current year deduction</b>		17,672 x 7% =	<b>250</b> 1,237 *
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		1,237	1,237 L
<b>Cumulative eligible capital - Closing balance</b> (amount K minus amount L) (if negative, enter "0")	<b>300</b>	16,435	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	<b>400</b>	1	
Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7)	<b>401</b>	2	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	<b>402</b>	3	
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	<b>408</b>	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)	<b>409</b>	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
<b>Amount to be included in income</b> (amount S plus amount T) (enter this amount on line 108 of Schedule 1)	<b>410</b>		

## 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 tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

### Allocating the business limit

Date filed (do not use this area) **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	2 Business Number of associated corporations	3 Association code
	<b>100</b>	<b>200</b>	
1	HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST	89053 4811 RC 0001	1
2	HEARST POWER SALES AND SERVICES COMPANY LIMITED	86368 9998 RC 0001	1

Allocate business limit using:  %  \$

	Taxation year		4 Business limit for the year (before allocation) \$	Allocating business limit		
				5 Percentage of the business limit (%)	6 Business limit allocated \$	7 Gross Part 1.3 tax for business limit reduction
	Start	End		<b>350</b>	<b>400</b>	
1	2004/01/01	2004/12/31	250,000	100.000	250,000	
2	2004/01/01	2004/12/31	250,000			
<b>TOTALS</b>				100.000	A 250,000	

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



**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)	Business Number (If a corporation is not registered, enter "NR") *	Social Insurance Number *	Trust Number (If a trust number is not available, enter "NA") *	Percentage common shares	Percentage preferred shares
<p style="text-align: center;"><b>100</b></p> The Corporation of the Town of Hearst	<p style="text-align: center;"><b>200</b></p> 10812 7051 RC 0001 RC	<p style="text-align: center;"><b>300</b></p>	<p style="text-align: center;"><b>350</b></p>	<p style="text-align: center;"><b>400</b></p> 100.000	<p style="text-align: center;"><b>500</b></p>

\* For a taxation year commencing before January 1, 2004, if the shareholder is a trust, enter NR at field 200 or NA at field 300. Do not enter a trust number in field 350.

notes

**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	<b>8000</b>	8,449,978	7,924,752
Total sales of goods and services	<b>8089</b>	8,449,978	7,924,752
Investment revenue	8090	93,868	97,991
Other revenue	8230	73,132	60,615
Total revenue	<b>8299</b>	8,616,978	8,083,358

Cost of sales	Code	Current year	Prior year
Opening inventory	<b>8300</b>		
Purchases / cost of materials	8320	7,782,580	7,310,843
Cost of sales	<b>8518</b>	7,782,580	7,310,843
Gross profit / loss (item 8089 - item 8518)	<b>8519</b>	667,398	613,909

Operating expenses	Code	Current year	Prior year
Advertising and promotion	8520	290	440
Meals and entertainment	8523		940
Employee benefits	8620	8,279	36,932
Amortization of tangible assets	8670	131,059	167,996
Interest and bank charges	8710	5,755	14,244
Interest on long term debt	8714	50,000	37,495
Office expenses	8810	11,481	14,710
Rental	8910	8,012	4,342
Repairs and maintenance	8960	157,809	113,975
Salaries and wages	9060	190,027	122,647
Sub-contracts	9110	42,654	30,037
Supplies	9130	68,963	121,421
Other expenses	9270	109,069	105,106
Total operating expenses	<b>9367</b>	783,398	770,285
Total expenses	<b>9368</b>	8,565,978	8,081,128
Net non-farming income	<b>9369</b>	51,000	2,230

Farming revenue	Code	Current year	Prior year
Grains and oilseeds	<b>9370</b>		
Total farm revenue	<b>9659</b>		

Farming expenses	Code	Current year	Prior year
Crop expenses	<b>9660</b>		
Total farm expenses	<b>9898</b>		
Net farm income	<b>9899</b>		
Net income / loss before taxes and extraordinary items	<b>9970</b>	51,000	2,230

**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 -	10,025	-
Future income tax provision	9995 -	-	
Net income / loss after taxes and extraordinary items	9999 =	40,975	= 2,230





**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?	<b>095</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the accounting practitioner connected* with the corporation?	<b>097</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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:	<b>198</b>
Completed an auditor's report	<u>1</u> <input checked="" type="checkbox"/>
Completed a review engagement report	<u>2</u> <input type="checkbox"/>
Conducted a compilation engagement	<u>3</u> <input type="checkbox"/>

**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?	<b>099</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
--	--

**Part 4 – Other information**

Were notes to the financial statements prepared?	<b>101</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, complete lines 102 to 107 below:	
Are any values presented at other than cost?	<b>102</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has there been a change in accounting policies since the last return?	<b>103</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are subsequent events mentioned in the notes?	<b>104</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is re-evaluation of asset information mentioned in the notes?	<b>105</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is contingent liability mentioned in the notes?	<b>106</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is information regarding commitments mentioned in the notes?	<b>107</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the corporation have investments in joint venture(s) or partnership(s)?	<b>108</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, complete line 109 below:	
Are you filing financial statements of the joint venture(s) or partnership(s)?	<b>109</b> <input type="checkbox"/> Yes <input type="checkbox"/> No



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 the CT23 Short-Form Return (see page 2).

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide)  Yes  No **Page 1 of 24**

Corporation's Legal Name (including punctuation) HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE				Ontario Corporations Tax Account No. (MOF) 7334207	
Mailing address P.O. BAG 5000 City: HEARST Province: ON Country: CA Postal code: P0L 1N0				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? <input type="checkbox"/> Yes		Date of change		Date of Incorporation or Amalgamation 2000/11/02	
Registered/Head Office Address P.O. BAG 5000 City: HEARST Province: ON Country: CA Postal code: P0L 1N0				Ontario Corporation No. (MCBS) 7334207	
Location of Books and Records P.O. BAG 5000 City: HEARST Province: ON Country: CA Postal code: P0L 1N0				Canada Customs and Revenue Agency Business No. 890534811RC0001	
Name of person to contact regarding this CT23 Return NICOLE LEDUC		Telephone No. (705) 372-2815	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:	
Former Corporation Name (Extra-Provincial Corporations only) <input type="checkbox"/> Not applicable (MCBS)				<input checked="" type="checkbox"/> Not Applicable	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). No. of Schedule(s): 0				Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français	
If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please check <input type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). <input type="checkbox"/> 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  
NICOLE LEDUC

Title:  Director  Officer  Other individual having knowledge of the affairs of the Corporation

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

Taxation Year End



**Exempt From Filing (EFF)**  
**Corporations Tax Return Declaration**  
 Page 2 of 24

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;<br>b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);<br>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 <i>Income Tax Act</i> (Canada));<br>e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and<br>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

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 Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

<table border="0" style="width:100%"> <tr> <td style="width:5%">Yes</td> <td style="width:5%">No</td> <td></td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(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 %</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(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. (<i>Refer to guide</i>)</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>(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.</td> </tr> </table>	Yes	No		<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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 %	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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. ( <i>Refer to guide</i> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(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.	<table border="0" style="width:100%"> <tr> <td style="width:5%">Yes</td> <td style="width:5%">No</td> <td></td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>(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.</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(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).</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(f) The corporation's Ontario allocation factor is 100%.</td> </tr> </table>	Yes	No		<input type="checkbox"/>	<input checked="" type="checkbox"/>	(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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(f) The corporation's Ontario allocation factor is 100%.
Yes	No																								
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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 %																							
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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 (1) box(es) if applicable in sections 1 & 2**

- 1**  Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2  Other Private
- 3  Public
- 4  Non-share Capital
- 5  Other (specify)
- Share Capital with full voting rights owned by Canadian residents. (nearest %) 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  
electrical utility

- 2** 1  Family Farm Corporation s.1(2)      14  Bare Trustee Corporation
- 2  Family Fishing Corporation s.1(2)      15  Branch of Non-resident s.63(1)
- 3  Mortgage Investment Corp s.47      16  Financial institutions prescribed by Regulation only
- 4  Credit Union s.51      17  Investment Dealer
- 5  Bank Mortgage Subsidiary s.61(4)      18  Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 6  Bank s.1(2)      19  Hydro successor, Municipal Electrical Utility or subsidiary of either
- 7  Loan and Trust Corporation s.61(4)      20  Producer and seller of steam for uses other than for the generation of electricity
- 8  Non-resident Corp s.2(2)(a) or (b)      21  Insurance Exchange s.74.4
- 9  Non-resident Corporation s.2(2)(c)      22  Farm Feeder Finance Co-operative Corporation
- 10  Mutual Fund Corporation s.48      23  Professional Corporation (incorporated professionals only)
- 11  Non-resident owned investment Corp s.49
- 12  Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

**Please check (1) box(es) if applicable:**

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> <u>F</u> irst Year of Filing  | <input type="checkbox"/> <u>F</u> inal Taxation Year up to Dissolution(wind-up) (Note: For discontinued businesses, see Guide.) | <input type="checkbox"/> <u>T</u> ransfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario |
| <input type="checkbox"/> <u>A</u> mmended Return   | <input type="checkbox"/> <u>F</u> inal Taxation Year before Amalgamation  | <input type="checkbox"/> <u>A</u> cquisition of Control fed s.249(4)<br>Date control was acquired: _____   |
| <input type="checkbox"/> <u>T</u> axation Year End has changed - Canada Customs and Revenue Agency approval required | <input type="checkbox"/> <u>F</u> loating Fiscal Year End   |  |

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

# 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±	59,536
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		5 -	
Subtract: Prior years' losses applied - Non-capital losses	From	704-	8,137
	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-	
<b>Taxable income (Non-capital loss)</b>		10 =	51,399
Addition to taxable income for unused foreign tax deduction for federal purposes		11 +	
<b>Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)</b>		20 =	51,399

Taxable Income	Number of days in Taxation Year	
	Days after Sept 30, 2001 and before Jan 1, 2004	Total days
From 10 (or 20) 51,399 X30 100.0000 % X 12.5 % X 33 ÷ 73 366 = 29+		
Ontario Allocation	Days after Dec 31, 2003	Total days
From 10 (or 20) 51,399 X30 100.0000 % X 14.0 % X 34 366 ÷ 73 366 = 32+ 7,196		
Ontario Allocation		
<b>Income Tax Payable (before deduction of tax credits) 29 + 32</b>		40 = 7,196

**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? (1)  Yes  No

\* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50	59,536
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+	8,137
Subtract: Losses of other years deducted for Ontario purposes (s.34)	53-	8,137
	=	54
Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	55+	

**Ontario Business Limit Calculation**

Days after Sept. 30, 2001 and before Jan. 1, 2003	280,000 X 28 ÷ 366 =+ 43	
Days after Dec. 31, 2002 and before Jan. 1, 2004	320,000 X 31 ÷ 366 =+ 46	
Days after Dec. 31, 2003	400,000 X 34 366 ÷ 366 =+ 47	400,000
Business limit for Ontario purposes 43 + 46 + 47	= 44	400,000 X 48 100.0000 % = 45 400,000

<b>Income eligible for the IDSBC</b>	From	30 100.0000 % X 56	60 =
		****Ontario Allocation	Least of 50, 54 or 45

\* **Note:** Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

\*\* **Note:** Adjust accordingly for a floating taxation year and use 366 for a leap year.

\*\*\* **Note:** For a taxation year ending before Jan 1, 2003, use your proportion of the associated group business limit.

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

**Income Tax** *continued from Page 4*

		<b>Number of Days in Taxation Year</b>			
		Days after Sept 30, 2001 and before Jan 1, 2003	÷	Total Days	=
<b>Calculation of IDSBC Rate</b>	6.5 % X <b>28</b>		<b>73</b>		<b>79 +</b>
		Days after Dec 31, 2002 and before Jan 1, 2004	÷	Total Days	=
	7.0 % X <b>31</b>		<b>73</b>	366	<b>89 +</b>
		Days after Dec 31, 2003	÷	Total Days	=
	8.5 % X <b>34</b>	366	<b>73</b>	366	<b>90 + 8.5000</b>
<b>IDSBC Rate for Taxation Year 79 + 89 + 90</b>					<b>78 = 8.5000</b>
Claim	From <b>60</b>		X From <b>78</b>	8.5000 %	<b>70 =</b>

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 + 51,399**

**If you are a member of an associated group (1)** **81**  (Yes)

Taxable income of associated corporations (*Attach schedule*) **82 +**  
 Aggregate Taxable Income **85 = 51,399**

		<b>Number of days in Taxation Year</b>			
		Days after Sept 30, 2001 and before Jan 1, 2003	÷	Total Days	=
Subtract: 280,000 X	<b>28</b>		<b>73</b>		<b>113 +</b>
		Days after Dec 31, 2002 and before Jan 1, 2004	÷	Total Days	=
320,000 X	<b>31</b>		<b>73</b>	366	<b>115 +</b>
		Days after Dec 31, 2003	÷	Total Days	=
400,000 X	<b>34</b>	366	<b>73</b>	366	<b>116 + 400,000</b>
					<b>114 - 400,000</b>
<b>(If negative, enter nil)</b>					<b>86 =</b>

		<b>Number of Days in Taxation Year</b>			
		Days after Sept 30, 2001 and before Jan 1, 2003	÷	Total Days	=
<b>Calculation of Specified Rate for Surtax</b>	4.333% X <b>28</b>		<b>73</b>	366	<b>95 +</b>
		Days after Dec 31, 2002 and before Jan 1, 2004	÷	Total Days	=
	4.667% X <b>31</b>		<b>73</b>	366	<b>96 +</b>
		Days after Dec 31, 2003	÷	Total Days	=
	4.667% X <b>34</b>	366	<b>73</b>	366	<b>97 + 4.6670</b>
<b>Specified rate of surtax for Taxation Year 95 + 96 + 97</b>					<b>94 = 4.6670</b>
From <b>86</b>		X From <b>94</b>		4.6670 % =	<b>87 =</b>
From <b>87</b>		X From <b>60</b>		÷ From <b>114</b> 400,000	<b>88 =</b>
<b>Surtax: Lesser of 70 or 88</b>					<b>100 =</b>

**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.

<b>Eligible Canadian Profits</b>	<b>120</b>	<b>+</b>	
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From	<b>56</b>	<b>-</b>
Add: Adjustment for Surtax on Canadian-controlled private corporations			
From <b>100</b> _____ ÷ From <b>30</b> _____ 100.0000 % ÷ From <b>78</b> _____ 8.5000 % =			<b>121</b> _____
			*Ontario Allocation
Lesser of <b>56</b> or <b>121</b>			<b>122</b> <b>+</b>
<b>120 - 56 + 122</b>			<b>130</b> <b>=</b>

<b>Taxable income</b>	From	<b>10</b>	<b>+</b>		51,399
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From	<b>56</b>	<b>-</b>		
Add: Adjustments for Surtax on Canadian-controlled private corporations	From	<b>122</b>	<b>+</b>		
Subtract: Taxable income <b>10</b> X Allocation % to jurisdictions outside Canada				<b>140</b>	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses				<b>141</b>	
<b>10 - 56 + 122 - 140 - 141</b>				<b>142</b>	51,399

<b>Claim</b>	<b>Number of Days in Taxation Year</b>
	Days after Sept 30, 2001 and before Jan 1, 2004
<b>143</b> _____ X From	<b>30</b> _____ 100.0000 % X 1.5% X
Lesser of <b>130</b> or <b>142</b>	*Ontario Allocation
	Days after Dec 31, 2003
<b>143</b> _____ X From	<b>30</b> _____ 100.0000 % X 2.0% X
Lesser of <b>130</b> or <b>142</b>	*Ontario Allocation

	Total Days				
<b>33</b> _____ ÷	<b>73</b> _____ 366	<b>=</b>	<b>154</b>	<b>+</b>	
<b>34</b> _____ 366 ÷	<b>73</b> _____ 366	<b>=</b>	<b>156</b>	<b>+</b>	

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** **=** 7,196

**Income Tax** *continued from Page 6*

**Specified Tax Credits** *(Refer to Guide)*

<b>Ontario Innovation Tax Credit (OITC) (s.43.3)</b> <i>Applies</i> to research and development in Ontario. Eligible credit from <b>5620</b> OITC claim form <i>(Attach original Claim Form)</i>	<b>191</b> +	
<b>Co-operative Education Tax Credit (CETC) (s.43.4)</b> <i>Applies</i> to employment of eligible students. Eligible credit from <b>5798</b> Summary Schedule F	<b>192</b> +	
<b>Ontario Film and Television Tax Credit (OFTTC) (s.43.5)</b> <i>Applies</i> to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Eligible credit from <b>5899</b> either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MFO) CT Schedule 193/199, as applicable. <i>(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.)</i>	<b>193</b> +	
<b>Graduate Transitions Tax Credit (GTTC) (s.43.6)</b> <i>Applies</i> to employment of eligible unemployed post secondary graduate.	<b>194</b> +	No. of Graduates from <b>6596</b>
Eligible Credit from <b>6598</b> Summary Schedule G	<b>195</b> +	
<b>Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)</b> <i>Applies</i> to qualifying expenditures in respect of eligible literary works by eligible Canadian authors. Eligible Credit from <b>6900</b> OBPTC Claim Form <i>(Attach both the original Claim Form and the Certification Form)</i>	<b>196</b> +	
<b>Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)</b> <i>Applies</i> to labour relating to computer animation and special effects on an eligible production. Eligible Credit from <b>6700</b> Claim Form Certified by Ontario Media Development Corporation <i>(Attach the original Claim/Certification Form with the CT23 Tax Return.)</i>	<b>197</b> +	
<b>Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)</b> <i>Applies</i> to qualifying R&D expenditures under an eligible research institute contract. Eligible Credit from <b>7100</b> OBRITC Claim Form <i>(Attach original Claim Form)</i>	<b>198</b> +	
<b>Ontario Production Services Tax credit (OPSTC) (s.43.10)</b> <i>Applies</i> to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed. Eligible Credit from <b>7300</b> either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MFO) CT Schedule 193/199, as applicable <i>(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.)</i>	<b>199</b> +	
<b>Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)</b> <i>Applies</i> to qualifying labour expenditures of eligible products for the taxation year. Eligible Credit from <b>7400</b> Claim Form certified by Ontario Media Development Corporation <i>(Attach original Claim/Certification Form.)</i>	<b>200</b> +	
<b>Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)</b> <i>Applies</i> to qualifying expenditures in respect of eligible Canadian sound recordings. Eligible Credit from <b>7500</b> OSRTC Claim Form <i>(Attach both the original Claim Form and the Certification Form)</i>	<b>201</b> +	
<b>Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201</b>	<b>220</b> =	
<b>Specified Tax Credits Applied to reduce Income Tax</b>	<b>225</b> =	
<b>Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss</b> (amount cannot be negative)	<b>230</b> =	7,196
To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see <b>Determination of Applicability</b> section for the CMT on <b>Page 8</b> . If CMT is not applicable, transfer amount in <b>230</b> to Income Tax in <b>Summary</b> section on <b>Page 17</b> .		
<b>OR</b>		
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 <b>Application of CMT Credit Carryovers</b> section part B on <b>Page 8</b> .		



# 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+	6,350,026	
* Total Revenue of the corporation			241+ 8,449,978
<b>If you are a member of an associated group (1) 242</b> <input checked="" type="checkbox"/> (Yes)			
Total Assets of associated corporations (Attach schedule)	243+		
Total Revenue of associated corporations (Attach schedule)			244+
Aggregate Total Assets	249=	6,350,026	
Aggregate Total Revenue			250= 8,449,978

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	51,000 X	From 30	100.0000 % X 4%	276=	2,040
		If negative, enter zero		Ontario Allocation		
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)					277-	
Subtract: Income Tax					From 190-	7,196
<b>Net CMT Payable</b> (if negative, enter Nil on page 17.)					<b>280=</b>	

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.**

<b>CMT Credit Carryover available</b>	From 2307	
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## Application of CMT Credit Carryovers

<b>A.</b>	Income Tax (before deduction of specified credits)	From 190+	7,196
	Gross CMT payable	From 276+	2,040
	Subtract: Foreign Tax Credit for CMT purposes	From 277-	
	If 276 - 277 is negative, enter NIL in 290	=	2,040 ▶
	<b>Income Tax eligible for CMT Credit</b>	<b>300=</b>	<b>5,156</b>
<b>B.</b>	Income Tax (after deduction of specified credits)	From 230+	7,196
	Subtract: CMT credit used to reduce income taxes	310-	
	<b>Income Tax</b>	<b>320=</b>	<b>7,196</b>

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)**CT23 Page 9 of 24**

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+
Retained earnings (if deficit, deduct) (Int.B. 3012)	351±
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352+
Loans and advances (Attach schedule)(Int.B. 3013)	353+
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+
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+
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362+
<b>Subtotal</b>	<b>370=</b>
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	371-
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372-
<b>Total Paid-up Capital</b>	<b>380=</b>
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381-
<i>Electrical Generating Corporations Only</i> - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382-
<b>Net Paid-up Capital</b>	<b>390=</b>

**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+
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	406+
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	407+
<b>Total Eligible Investments</b>	<b>410=</b>

**Capital Tax** *continued from Page 9*

**Total Assets** (Int.B. 3015)

Total Assets per balance sheet	420+	6,350,026
Mortgages or other liabilities deducted from assets	421+	
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	422+	
Subtract: Investment in partnership(s)/joint venture(s)	423-	
<b>Total Assets as adjusted</b>	<b>430=</b>	<b>6,350,026</b>
Amounts in <b>360</b> and <b>361</b> (if deducted from assets)	440+	
Subtract: Amounts in <b>371</b> , <b>372</b> and <b>381</b>	441-	
Subtract: Appraisal surplus if booked	442-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443±	
<b>Total Assets</b>	<b>450=</b>	<b>6,350,026</b>

<b>Investment Allowance</b> (410 ÷ 450) X 390	Not to exceed 410	460=	
<b>Taxable Capital</b> 390 - 460		470=	

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)			
Gross Revenue of the corporation	8,449,978		
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue ( <i>Attach schedule</i> )			
Aggregate of Gross Revenue	8,449,978	480	8,449,978
<b>Total Assets</b> (as adjusted)	From	430	6,350,026

**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.

$$\begin{aligned}
 &+ \text{ From } 470 \text{ _____} \\
 &- \text{ _____} \\
 &= 471 \text{ _____} \times \text{ From } 30 \text{ _____} \text{ Ontario Allocation} \times 0.3\% \times 555 \text{ _____} \text{ Days in taxation year} \\
 & \hspace{15em} \text{**365/366} \\
 &= 523+ \text{ _____} \\
 & \hspace{15em} \text{Transfer to 543 on page 12 and complete the return from that point}
 \end{aligned}$$

\*\* 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 (1 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 (1 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 (1 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 <b>470</b> _____								
	- <b>542</b> _____								
	= <b>471</b> _____	x	From <b>30</b> _____	% x 0.3% x	<b>555</b> _____	Days in the taxation year	=	<b>523</b> + _____	<b>Total Capital Tax for the taxation year</b>
			Ontario Allocation		** (365/366)				<i>Transfer to 543 and complete the return from that point</i>

**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 <b>470</b> _____	X	From <b>30</b> _____	x 0.3%					
	- Capital tax deduction relating to your corporation's capital tax deduction, on ss.69(2.1) election form							From <b>995</b> - _____	
								<b>562</b> = _____	
	<b>Capital Tax</b> _____		<b>562</b> _____	X	<b>555</b> _____	Days in taxation year	=	<b>563</b> + _____	<i>Transfer to 543 and complete the return from that point</i>
					** (365/366)				

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

<b>Capital Tax before application of specified credits</b>	<b>543</b>	<b>=</b>	
Subtract: Specified Tax Credits applied to reduce capital tax payable ( <i>Refer to Guide</i> )	<b>546</b>	<b>-</b>	
<b>Capital Tax 543 - 546</b> ( <i>amount cannot be negative</i> )	<b>550</b>	<b>=</b>	
			<i>Transfer to page 17</i>

**Calculation of Capital Tax for Financial Institutions**

**I.1. Credit Unions Only**

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.

**I.2 Other than Credit Unions**

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

$$\begin{array}{r}
 \text{565 } \underline{\hspace{2cm}} \times 0.6\% \times \text{From } \text{30 } \underline{\hspace{2cm}} \% \times \text{555 } \underline{\hspace{2cm}} \div \text{**365/366} = \text{569+ } \underline{\hspace{2cm}} \\
 \text{Lesser of adjusted TPUC} \qquad \qquad \qquad \text{Ontario Allocation} \\
 \text{and Basic Capital Amount} \\
 \text{in accordance with} \\
 \text{Division B.1}
 \end{array}$$

$$\begin{array}{r}
 \text{570 } \underline{\hspace{2cm}} \times \text{571 } \underline{\hspace{2cm}} \times \text{From } \text{30 } \underline{\hspace{2cm}} \% \times \text{555 } \underline{\hspace{2cm}} \div \text{**365/366} = \text{574+ } \underline{\hspace{2cm}} \\
 \text{Adjusted TPUC} \qquad \qquad \text{Capital Tax Rate} \qquad \qquad \text{Ontario Allocation} \\
 \text{in accordance with} \qquad \qquad \text{(Refer to Guide)} \\
 \text{Division B.1 in excess} \\
 \text{of Basic Capital Amount}
 \end{array}$$

**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)? (1)  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± 59,536  
Transfer to Page 15

**Add:**

Federal capital cost allowance	601+	123,516
Federal cumulative eligible capital deduction	602+	1,237
Ontario taxable capital gain	603+	
Federal non-allowable reserves. Balance beginning of year	604+	
Federal allowable reserves. Balance end of year	605+	
Ontario non-allowable reserves. Balance end of year	606+	
Ontario allowable reserves. Balance beginning of year	607+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608+	
Federal resource allowance	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** \_\_\_\_\_ ÷ **73** \_\_\_\_\_ 366 = **633+** \_\_\_\_\_

Days after Dec. 31, 2003      Total days  
**612** \_\_\_\_\_ X 5/14.0 X **34** \_\_\_\_\_ 366 ÷ **73** \_\_\_\_\_ 366 = **634+** \_\_\_\_\_

Total add-back amount for Management fees, etc. <b>633 + 634 =</b>	<b>613+</b>	
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in <b>473</b> from Ont. CT23 schedule 161	<b>615+</b>	
Add any negative amount in <b>473</b> from Ont. CT23 Schedule 161	<b>616+</b>	
Federal allowable business investment loss	<b>620+</b>	
Total of other items not allowed by Ontario but allowed federally ( <i>Attach schedule</i> )	<b>614+</b>	
<b>Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614</b>	<b>=</b>	124,753 <b>640</b> 124,753

Transfer to Page 15

**Deduct:**

Ontario capital cost allowance (excludes amounts deducted under <b>675</b> )	650+	123,516
Ontario cumulative eligible capital deduction	651+	1,237
Federal taxable capital gain	652+	
Ontario non-allowable reserves. Balance beginning of year	653+	
Ontario allowable reserves. Balance end of year	654+	
Federal non-allowable reserves. Balance end of year	655+	
Federal allowable reserves. Balance beginning of year	656+	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) ( <i>Retain calculations. Do not submit.</i> )	657+	
Ontario depletion allowance	658+	
Ontario resource allowance	659+	
Ontario current cost adjustment ( <i>Attach schedule</i> )	661+	
Incentive for new electricity supply (section 13.6 deduction from income) ( <i>Applies only to electrical generating corporations.</i> )	674+	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	675+	
<b>Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675</b>	<b>681</b>	124,753

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

<b>Net income (loss) for federal income tax purposes, per federal T2 SCH 1</b>	From <b>600±</b>	59,536
<b>Sub Total of Additions</b>	From <b>640=</b>	124,753

**Sub Total of deductions on page 14** From **681=** 124,753

**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 **663=**  
 $\frac{662 \times 100}{30 - 100.0000} - \text{From } 662$  Ontario allocation

**Workplace Child Care Tax Incentive**

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

**Workplace Accessibility Tax Incentive**

Qualifying expenditures: **667** x 100% x 100/ 30 **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 **671=**  
 Ontario Allocation

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

Qualifying expenditures **672** x 15% x 100/ 30 **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 = 124,753 680 124,753**

**Net income (loss) for Ontario purposes 600 + 640 - 680 690= 59,536**

Transfer to Page 4



**Continuity of Losses Carried Forward**

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	700 (2) 8,137	710 (2)	720 (2)	730	740	750
<b>Add:</b>	701	711	721	731	741	751
Current year's losses (7)						
Losses from predecessor corporations (3)	702	712	722	732		752
	703	713	723	733	743	753
<b>Subtotal</b>						
<b>Subtract:</b>	704 (2) 8,137	715 (2)(4)	724 (2)	734 (2)(4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	705		725	735	745	
Expired during the year	706 (2) To Pg 17	716 (2) To Pg 17	726 (2) To Pg 17	736 (2) To Pg 17	746	
Carried back to prior years to reduce income (5)	707	717	727	737	747	757
<b>Subtotal</b>	8,137					
<b>Balance at End of Year</b>	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
<b>Total</b>	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:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
<b>Total amount of loss</b>	910	920	930	940
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
	<b>Predecessor Corporation's Account No. (MOF)</b>	<b>Taxation Year Ending</b>		
i) 3rd preceding	901	2001/12/31	911	921
ii) 2nd preceding	902	2002/12/31	912	922
iii) 1st preceding	903	2003/12/31	913	923
<b>Total loss to be carried back</b>			From 706	From 716
			From 726	From 736
<b>Balance of loss available for carryforward</b>	919	929	939	949

## Summary

Income Tax	From 230 or	320 +	7,196
Corporate Minimum Tax	From	280 +	
Capital Tax	From	550 +	
Premium Tax	From	590 +	
<b>Total Tax Payable</b>		950 =	
<b>Subtract:</b>	<b>Payments</b>	960 -	2,000
	<b>Capital Gains Refund (s.48)</b>	965 -	
	<b>Qualifying Environmental Trust Tax Credit</b> <i>(Refer to Guide)</i>	985 -	
	<b>Specified Tax Credits</b> <i>(Refer to Guide)</i>	955 -	
<b>Balance</b>		970 =	(2,000)
<b>If payment due</b>	Enclosed *	990	
<b>If overpayment: Refund</b> <i>(Refer to Guide)</i>		975 =	2,000
<b>Apply to</b>		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		
NICOLE LEDUC		
Title		
Manager		
Full Residence Address		
Alexandra Street		
City		
Hearst		
Province	Country	Postal Code
ON		P0L 1N0
Signature		Date
		2011/09/14

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



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 the CT23 Short-Form Return (see page 2).

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide)  Yes  No Page 1 of 24

Corporation's Legal Name (including punctuation) HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE				Ontario Corporations Tax Account No. (MOF) 7334207	
Mailing address P.O. BAG 5000 City HEARST Province ON Country CA Postal code P0L 1N0				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? <input type="checkbox"/> Yes		Date of change		Date of Incorporation or Amalgamation 2000/11/02	
Registered/Head Office Address P.O. BAG 5000 City HEARST Province ON Country CA Postal code P0L 1N0				Ontario Corporation No. 7334207 (MCBS)	
Location of Books and Records P.O. BAG 5000 City HEARST Province ON Country CA Postal code P0L 1N0				Canada Customs and Revenue Agency Business No. 890534811RC0001	
Name of person to contact regarding this CT23 Return NICOLE LEDUC		Telephone No. (705) 372-2815	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	
Former Corporation Name (Extra-Provincial Corporations only) <input type="checkbox"/> Not applicable (MCBS)				<input checked="" type="checkbox"/> Not Applicable	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). No. of Schedule(s) 0				Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français	
If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please check <input type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). <input type="checkbox"/> 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  
NICOLE LEDUC

Title:  Director  Officer  Other individual having knowledge of the affairs of the Corporation

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

Taxation Year End



**Exempt From Filing (EFF)**  
**Corporations Tax Return Declaration**  
 Page 2 of 24

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;<br>b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);<br>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 <i>Income Tax Act</i> (Canada));<br>e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and<br>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
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**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

City	Province	Country	Postal code
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2. Ontario Corporation No. (MCBS)

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3. Canada Customs and Revenue Agency Business No.

RC
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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.

<table border="0" style="width:100%"> <tr> <td style="width:5%">Yes</td> <td style="width:5%">No</td> <td></td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">(nearest whole percentage)</td> </tr> <tr> <td></td> <td></td> <td>Indicate Share Capital with full voting rights owned by Canadian Residents <u>100</u> %</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(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. (<i>Refer to guide</i>)</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>(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.</td> </tr> </table>	Yes	No		<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.			(nearest whole percentage)			Indicate Share Capital with full voting rights owned by Canadian Residents <u>100</u> %	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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. ( <i>Refer to guide</i> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(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.	<table border="0" style="width:100%"> <tr> <td style="width:5%">Yes</td> <td style="width:5%">No</td> <td></td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td>(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.</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(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).</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td>(f) The corporation's Ontario allocation factor is 100%.</td> </tr> </table>	Yes	No		<input type="checkbox"/>	<input checked="" type="checkbox"/>	(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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(f) The corporation's Ontario allocation factor is 100%.
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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 (1) box(es) if applicable in sections 1 & 2**

- 1**  Canadian-controlled private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2  Other Private
- 3  Public
- 4  Non-share Capital
- 5  Other (specify)
- Share Capital with full voting rights owned by Canadian residents. (nearest %) 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  
electrical utility

- 2** 1  Family Farm Corporation s.1(2) 14  Bare Trustee Corporation
- 2  Family Fishing Corporation s.1(2) 15  Branch of Non-resident s.63(1)
- 3  Mortgage Investment Corp s.47 16  Financial institutions prescribed by Regulation only
- 4  Credit Union s.51 17  Investment Dealer
- 5  Bank Mortgage Subsidiary s.61(4) 18  Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 6  Bank s.1(2) 19  Hydro successor, Municipal Electrical Utility or subsidiary of either
- 7  Loan and Trust Corporation s.61(4) 20  Producer and seller of steam for uses other than for the generation of electricity
- 8  Non-resident Corp s.2(2)(a) or (b) 21  Insurance Exchange s.74.4
- 9  Non-resident Corporation s.2(2)(c) 22  Farm Feeder Finance Co-operative Corporation
- 10  Mutual Fund Corporation s.48 23  Professional Corporation (incorporated professionals only)
- 11  Non-resident owned investment Corp s.49
- 12  Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

**Please check (1) box(es) if applicable:**

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> <u>F</u> irst Year of Filing  | <input type="checkbox"/> <u>F</u> inal Taxation Year up to Dissolution(wind-up) (Note: For discontinued businesses, see Guide.) | <input type="checkbox"/> <u>T</u> ransfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario |
| <input type="checkbox"/> <u>A</u> mmended Return   | <input type="checkbox"/> <u>F</u> inal Taxation Year before Amalgamation  | <input type="checkbox"/> <u>A</u> cquisition of Control fed s.249(4)<br>Date control was acquired: _____   |
| <input type="checkbox"/> <u>T</u> axation Year End has changed - Canada Customs and Revenue Agency approval required | <input type="checkbox"/> <u>F</u> loating Fiscal Year End   |  |

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

# 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±	59,536
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		5 -	
Subtract: Prior years' losses applied - Non-capital losses	From	704-	8,137
	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-	
<b>Taxable income (Non-capital loss)</b>		10 =	51,399
Addition to taxable income for unused foreign tax deduction for federal purposes		11 +	
<b>Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)</b>		20 =	51,399

Taxable Income	Number of days in Taxation Year	
	Days after Sept 30, 2001 and before Jan 1, 2004	Total days
From 10 (or 20) 51,399 X30 100.0000 % X 12.5 % X 33 ÷ 73 366 = 29+		
Ontario Allocation	Days after Dec 31, 2003	Total days
From 10 (or 20) 51,399 X30 100.0000 % X 14.0 % X 34 366 ÷ 73 366 = 32+ 7,196		
Ontario Allocation		
<b>Income Tax Payable (before deduction of tax credits) 29 + 32</b>		40 = 7,196

**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? (1)  Yes  No

\* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50	59,536
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+	8,137
Subtract: Losses of other years deducted for Ontario purposes (s.34)	53-	8,137
	=	54
Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	55+	

**Ontario Business Limit Calculation**

Days after Sept. 30, 2001 and before Jan. 1, 2003	280,000 X 28 ÷ 366 =+ 43	
Days after Dec. 31, 2002 and before Jan. 1, 2004	320,000 X 31 ÷ 366 =+ 46	
Days after Dec. 31, 2003	400,000 X 34 366 ÷ 366 =+ 47	400,000
Business limit for Ontario purposes 43 + 46 + 47 = 44	400,000 X 48 100.0000 % = 45	400,000

<b>Income eligible for the IDSBC</b>	From	30 100.0000 % X 56	60 =
		****Ontario Allocation	Least of 50, 54 or 45

\* **Note:** Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

\*\* **Note:** Adjust accordingly for a floating taxation year and use 366 for a leap year.

\*\*\* **Note:** For a taxation year ending before Jan 1, 2003, use your proportion of the associated group business limit.

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

**Income Tax** *continued from Page 4*

		<b>Number of Days in Taxation Year</b>			
		Days after Sept 30, 2001 and before Jan 1, 2003	÷	Total Days	=
<b>Calculation of IDSBC Rate</b>	6.5 % X <b>28</b>				<b>79 +</b>
		Days after Dec 31, 2002 and before Jan 1, 2004	÷	Total Days	
	7.0 % X <b>31</b>			366	<b>89 +</b>
		Days after Dec 31, 2003	÷	Total Days	
	8.5 % X <b>34</b>			366	<b>90 + 8.5000</b>
<b>IDSBC Rate for Taxation Year</b>	<b>79 + 89 + 90</b>				<b>78 = 8.5000</b>
Claim	From <b>60</b>	X From <b>78</b>		8.5000 %	<b>70 =</b>

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 + 51,399**

**If you are a member of an associated group (1)** **81**  (Yes)

Taxable income of associated corporations (Attach schedule) **82 +**  
 Aggregate Taxable Income **85 = 51,399**

		<b>Number of days in Taxation Year</b>			
		Days after Sept 30, 2001 and before Jan 1, 2003	÷	Total Days	=
Subtract: 280,000 X	<b>28</b>				<b>73 = 113+</b>
		Days after Dec 31, 2002 and before Jan 1, 2004	÷	Total Days	
320,000 X	<b>31</b>			366	<b>73 = 115+</b>
		Days after Dec 31, 2003	÷	Total Days	
400,000 X	<b>34</b>			366	<b>73 = 116+ 400,000</b>
				<b>113 + 115 + 116</b>	<b>= 400,000 ▶</b>
(If negative, enter nil)					<b>114 - 400,000</b>
					<b>86 =</b>

		<b>Number of Days in Taxation Year</b>			
		Days after Sept 30, 2001 and before Jan 1, 2003	÷	Total Days	=
<b>Calculation of Specified Rate for Surtax</b>	4.333% X <b>28</b>			366	<b>95 +</b>
		Days after Dec 31, 2002 and before Jan 1, 2004	÷	Total Days	
	4.667% X <b>31</b>			366	<b>96 +</b>
		Days after Dec 31, 2003	÷	Total Days	
	4.667% X <b>34</b>			366	<b>97 + 4.6670</b>
<b>Specified rate of surtax for Taxation Year</b>	<b>95 + 96 + 97</b>				<b>94 = 4.6670</b>
From <b>86</b>	X From <b>94</b>	4.6670 % =			<b>87 =</b>
From <b>87</b>	X From <b>60</b>	÷ From <b>114</b>	400,000		<b>88 =</b>
<b>Surtax: Lesser of 70 or 88</b>					<b>100 =</b>

**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 -

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 \_\_\_\_\_ ÷ From 30 100.0000 % ÷ From 78 8.5000 % = **121** \_\_\_\_\_

\*Ontario Allocation

Lesser of 56 or 121 122 +

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

**Taxable income** From 10 +  51,399

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 =**  51,399

**Claim** **Number of Days in Taxation Year**

Days after Sept 30, 2001 and before Jan 1, 2004

Total Days

143 \_\_\_\_\_ X From 30 100.0000 % X 1.5% X **33** \_\_\_\_\_ ÷ **73** 366 = **154 +** \_\_\_\_\_

Lesser of 130 or 142

\*Ontario Allocation

Days after Dec 31, 2003

Total Days

143 \_\_\_\_\_ X From 30 100.0000 % X 2.0% X **34** 366 ÷ **73** 366 = **156 +** \_\_\_\_\_

Lesser of 130 or 142

\*Ontario Allocation

M&P claim for taxation year **154 + 156** **160 =**

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

**Manufacturing and Processing Profits Credit for Electrical Generating Corporations**

161

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

162

**Credit for Foreign Taxes Paid (s.40)**

**Applies** if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 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 =**  7,196



**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**  
 Eligible Credit from **6598** Summary Schedule G **194** **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 =** 7,196

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+	6,350,026	
* Total Revenue of the corporation			241+ 8,449,978
<b>If you are a member of an associated group (1) 242</b> <input checked="" type="checkbox"/> (Yes)			
Total Assets of associated corporations (Attach schedule)	243+		
Total Revenue of associated corporations (Attach schedule)			244+
Aggregate Total Assets	249=	6,350,026	
Aggregate Total Revenue			250= 8,449,978

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	51,000 X	From 30	100.0000 % X 4%	276=	2,040
		If negative, enter zero		Ontario Allocation		
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)					277-	
Subtract: Income Tax					From 190-	7,196
<b>Net CMT Payable</b> (if negative, enter Nil on page 17.)					<b>280=</b>	

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.**

<b>CMT Credit Carryover available</b>	From 2307	
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## Application of CMT Credit Carryovers

<b>A.</b>	Income Tax (before deduction of specified credits)	From 190+	7,196
	Gross CMT payable	From 276+	2,040
	Subtract: Foreign Tax Credit for CMT purposes	From 277-	
	If 276 - 277 is negative, enter NIL in 290	=	2,040 ▶
	<b>Income Tax eligible for CMT Credit</b>	<b>300=</b>	<b>5,156</b>
<b>B.</b>	Income Tax (after deduction of specified credits)	From 230+	7,196
	Subtract: CMT credit used to reduce income taxes	310-	
	<b>Income Tax</b>	<b>320=</b>	<b>7,196</b>

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)**CT23 Page 9 of 24**

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+
Retained earnings (if deficit, deduct) (Int.B. 3012)	351±
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352+
Loans and advances (Attach schedule)(Int.B. 3013)	353+
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+
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+
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362+
<b>Subtotal</b>	<b>370=</b>
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	371-
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372-
<b>Total Paid-up Capital</b>	<b>380=</b>
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381-
<i>Electrical Generating Corporations Only</i> - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382-
<b>Net Paid-up Capital</b>	<b>390=</b>

**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+
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	406+
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	407+
<b>Total Eligible Investments</b>	<b>410=</b>



**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 (1 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 (1 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 (1 if applicable) **Election filed. Attach a copy of the election with this CT23 Return.**  
 Proceed to **Section E** on 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                      Days in taxation year  
 Lesser of adjusted TPUC Ontario Allocation **555**                      ÷ \*\*365/366 = **569+**                       
 and Basic Capital Amount  
 in accordance with  
 Division B.1

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

**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)? (1)  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±** 59,536  
*Transfer to Page 15*

**Add:**

Federal capital cost allowance	<b>601+</b>	123,516
Federal cumulative eligible capital deduction	<b>602+</b>	1,237
Ontario taxable capital gain	<b>603+</b>	
Federal non-allowable reserves. Balance beginning of year	<b>604+</b>	
Federal allowable reserves. Balance end of year	<b>605+</b>	
Ontario non-allowable reserves. Balance end of year	<b>606+</b>	
Ontario allowable reserves. Balance beginning of year	<b>607+</b>	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	<b>608+</b>	
Federal resource allowance	<b>609+</b>	
Federal depletion allowance	<b>610+</b>	
Federal foreign exploration and development expenses	<b>611+</b>	
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** \_\_\_\_\_ ÷ **73** \_\_\_\_\_ = **633+** \_\_\_\_\_

Days after Dec. 31, 2003      Total days  
**612** \_\_\_\_\_ X 5/14.0 X **34** \_\_\_\_\_ ÷ **73** \_\_\_\_\_ = **634+** \_\_\_\_\_

Total add-back amount for Management fees, etc. <b>633 + 634 =</b>	<b>613+</b>	
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in <b>473</b> from Ont. CT23 schedule 161	<b>615+</b>	
Add any negative amount in <b>473</b> from Ont. CT23 Schedule 161	<b>616+</b>	
Federal allowable business investment loss	<b>620+</b>	
Total of other items not allowed by Ontario but allowed federally ( <i>Attach schedule</i> )	<b>614+</b>	
<b>Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614</b>	<b>=</b>	<u>124,753</u> <b>640</b> <u>124,753</u>

*Transfer to Page 15*

**Deduct:**

Ontario capital cost allowance (excludes amounts deducted under <b>675</b> )	<b>650+</b>	123,516
Ontario cumulative eligible capital deduction	<b>651+</b>	1,237
Federal taxable capital gain	<b>652+</b>	
Ontario non-allowable reserves. Balance beginning of year	<b>653+</b>	
Ontario allowable reserves. Balance end of year	<b>654+</b>	
Federal non-allowable reserves. Balance end of year	<b>655+</b>	
Federal allowable reserves. Balance beginning of year	<b>656+</b>	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) ( <i>Retain calculations. Do not submit.</i> )	<b>657+</b>	
Ontario depletion allowance	<b>658+</b>	
Ontario resource allowance	<b>659+</b>	
Ontario current cost adjustment ( <i>Attach schedule</i> )	<b>661+</b>	
Incentive for new electricity supply (section 13.6 deduction from income) ( <b>Applies</b> only to electrical generating corporations.)	<b>674+</b>	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	<b>675+</b>	
<b>Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675</b>	<b>681</b>	<u>124,753</u>

*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

<b>Net income (loss) for federal income tax purposes, per federal T2 SCH 1</b>	From <b>600±</b>	59,536
<b>Sub Total of Additions</b>	From <b>640=</b>	124,753

**Sub Total of deductions on page 14** From **681=** 124,753

**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 <b>662</b>	Gross-up of CCA	x 100/ 30	100.0000	- From <b>662</b>	<b>663=</b>
				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 = 124,753 680 124,753**

**Net income (loss) for Ontario purposes 600 + 640 - 680 690= 59,536**

Transfer to Page 4

**Continuity of Losses Carried Forward****CT23 Page 16 of 24**

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	<b>700</b> (2) 8,137	<b>710</b> (2)	<b>720</b> (2)	<b>730</b>	<b>740</b>	<b>750</b>
<b>Add:</b>	<b>701</b>	<b>711</b>	<b>721</b>	<b>731</b>	<b>741</b>	<b>751</b>
Current year's losses (7)						
Losses from predecessor corporations (3)	<b>702</b>	<b>712</b>	<b>722</b>	<b>732</b>		<b>752</b>
	<b>703</b>	<b>713</b>	<b>723</b>	<b>733</b>	<b>743</b>	<b>753</b>
<b>Subtotal</b>						
<b>Subtract:</b>	<b>704</b> (2) 8,137	<b>715</b> (2)(4)	<b>724</b> (2)	<b>734</b> (2)(4)	<b>744</b> (4)	<b>754</b> (4)
Utilized during the year to reduce taxable income	<b>705</b>		<b>725</b>	<b>735</b>	<b>745</b>	
Expired during the year	<b>706</b> (2) To Pg 17	<b>716</b> (2) To Pg 17	<b>726</b> (2) To Pg 17	<b>736</b> (2) To Pg 17	<b>746</b>	
Carried back to prior years to reduce income (5)	<b>707</b>	<b>717</b>	<b>727</b>	<b>737</b>	<b>747</b>	<b>757</b>
<b>Subtotal</b>	<b>709</b> (8) 8,137					
<b>Balance at End of Year</b>		<b>719</b>	<b>729</b>	<b>739</b>	<b>749</b>	<b>759</b>

**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
<b>800</b>				<b>850</b>	<b>870</b>
<b>801</b>				<b>851</b>	<b>871</b>
<b>802</b>				<b>852</b>	<b>872</b>
<b>803</b>	<b>820</b>	<b>830</b>	<b>840</b>	<b>853</b>	<b>873</b>
<b>804</b>	<b>821</b>	<b>831</b>	<b>841</b>	<b>854</b>	<b>874</b>
<b>805</b> 2000/12/31	<b>822</b>	<b>832</b>	<b>842</b>	<b>855</b>	<b>875</b>
<b>806</b> 2001/12/31	<b>823</b>	<b>833</b>	<b>843</b>	<b>856</b>	<b>876</b>
<b>807</b> 2002/12/31	<b>824</b>	<b>834</b>	<b>844</b>	<b>857</b>	<b>877</b>
<b>808</b> 2003/12/31	<b>825</b>	<b>835</b>	<b>845</b>	<b>858</b>	<b>878</b>
<b>809</b> 2004/12/31	<b>826</b>	<b>836</b>	<b>846</b>	<b>859</b>	<b>879</b>
<b>Total</b>	<b>829</b>	<b>839</b>	<b>849</b>	<b>869</b>	<b>889</b>

# 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:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
<b>Total amount of loss</b>	910	920	930	940
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
	<b>Predecessor Corporation's Account No. (MOF)</b>	<b>Taxation Year Ending</b>		
i) 3rd preceding	901	2001/12/31	911	921
ii) 2nd preceding	902	2002/12/31	912	922
iii) 1st preceding	903	2003/12/31	913	923
<b>Total loss to be carried back</b>			From 706	From 716
			From 726	From 736
<b>Balance of loss available for carryforward</b>	919	929	939	949

## Summary

Income Tax	From 230 or	320 +	7,196
Corporate Minimum Tax	From	280 +	
Capital Tax	From	550 +	
Premium Tax	From	590 +	
<b>Total Tax Payable</b>		950 =	
<b>Subtract:</b>	<b>Payments</b>	960 -	2,000
	<b>Capital Gains Refund (s.48)</b>	965 -	
	<b>Qualifying Environmental Trust Tax Credit</b> (Refer to Guide)	985 -	
	<b>Specified Tax Credits</b> (Refer to Guide)	955 -	
<b>Balance</b>		970 =	(2,000)
<b>If payment due</b>	Enclosed *	990	
<b>If overpayment: Refund</b> (Refer to Guide)		975 =	2,000
	<b>Apply to</b>	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		
NICOLE LEDUC		
Title		
Manager		
Full Residence Address		
Alexandra Street		
City		
Hearst		
Province	Country	Postal Code
ON		P0L 1N0
Signature		Date
		2011/09/14

**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± 40,975

**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+	
	=	▶ 2109-

**Subtotal**

**Add (to extent reflected in net income/loss):**

Provision for current taxes / cost of current income taxes	2110+	10,025
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+	
	=	▶ 2115+ 10,025

**Subtotal**

**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= 51,000

\*\* 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= 51,000

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= 51,000

Transfer to CMT Base on page 8

# Corporate Minimum Tax (CMT)

CT23 Schedule B & C

## 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							

<b>Balance at Beginning of year</b> (1), (2)		<b>2201 +</b>
<b>Add:</b> Current year's losses	<b>2202 +</b>	
Losses from predecessor corporations on amalgamation (3)	<b>2203 +</b>	
Losses from predecessor corporations on wind-up (3)	<b>2204 +</b>	
Amalgamation (1) <b>2205</b> <input type="checkbox"/> Yes      Wind-up (1) <b>2206</b> <input type="checkbox"/> Yes		
<b>Subtotal</b>	<b>=</b>	<b>2207 +</b>
Adjustments (attach schedule)		<b>2208 ±</b>
<b>CMT losses available 2201 + 2207 ± 2208</b>		<b>2209 =</b>
<b>Subtract:</b> Pre-1994 loss utilized during the year to reduce adjusted net income	<b>2210 +</b>	
Other eligible losses utilized during the year to reduce adjusted net income (4)	<b>2211 +</b>	
Losses expired during the year	<b>2212 +</b>	
<b>Subtotal</b>	<b>=</b>	<b>2213 -</b>
<b>Balances at End of Year (5) 2209 - 2213</b>		<b>2214 =</b>

- 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
<b>2240</b>	<b>2260</b>	<b>2280</b>
<b>2241</b>	<b>2261</b>	<b>2281</b>
<b>2242</b>	<b>2262</b>	<b>2282</b>
<b>2243</b>	<b>2263</b>	<b>2283</b>
<b>2244</b>	<b>2264</b>	<b>2284</b>
<b>2245</b> 2000/12/31	<b>2265</b>	<b>2285</b>
<b>2246</b> 2001/12/31	<b>2266</b>	<b>2286</b>
<b>2247</b> 2002/12/31	<b>2267</b>	<b>2287</b>
<b>2248</b> 2003/12/31	<b>2268</b>	<b>2288</b>
<b>2249</b> 2004/12/31	<b>2269</b>	<b>2289</b>
<b>Totals</b>	<b>2270</b>	<b>2290</b>

**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							

<b>Balance at Beginning of year (1)</b>		<b>2301 +</b>	
<b>Add:</b> Current year's CMT Credit (280 on page 8. If negative, enter NIL)	From	<b>280 +</b>	
CMT Credit Carryovers from predecessor corporations (2)		<b>2302 +</b>	
Amalgamation (1) <input type="checkbox"/> Yes	Wind-up (1) <input type="checkbox"/> Yes		
<b>Subtotal</b>		<b>=</b>	<b>2305 +</b>
Adjustments (Attach schedule)			<b>2306 ±</b>
<b>CMT credit carryover available 2301 + 2305 ± 2306</b>			<b>2307 =</b>
			<i>Transfer to Page 8</i>
<b>Subtract:</b> CMT credit utilized during the year to reduce income tax (Page 8)	From	<b>310 +</b>	
CMT credit expired during the year		<b>2308 +</b>	
<b>Subtotal</b>		<b>=</b>	<b>2309 -</b>
<b>Balance at End of Year (3) 2307 - 2309</b>			<b>2310 =</b>

- 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
<b>Totals</b>	<b>2370</b>	<b>2390</b>

The sum of amounts 2370 and 2390 must equal the amount in 2310.

OS4  
Schedule 4

# Ontario loss continuity

## Part 1 - Non-capital loss

### Determination of current-year non-capital loss

Net income (loss) for Ontario tax purposes		59,536
<b>Deduct:</b> (increase a loss)		
Net capital losses deducted in the year (enter a positive amount)		
Taxable dividends deductible under ITA sections 112, 113 or subsection 138(6)		
Amount of Part VI.1 tax deductible		
	Subtotal - if positive, enter "0"	
<b>Deduct:</b> (increase a loss)		
ITA Section 110.5 and/or subparagraph 115(1)(a)(vii) - Addition for foreign tax deductions		
<b>Add:</b> (decrease a loss)	Subtotal	
Current-year farm loss		
<b>Current-year non-capital loss</b> (if positive, enter "0")		

### Continuity of non-capital losses and request for a carryback

Non-capital loss at end of preceding taxation year	8,137	
<b>Deduct:</b> Non-capital loss expired	-	
Non-capital losses at beginning of taxation year	= 8,137	8,137
<b>Add:</b> Non-capital losses transferred on an amalgamation or the wind-up of a subsidiary corporation		+
Current-year non-capital loss (from calculation above)		
<b>Deduct - Request to carry back non-capital loss to:</b>		
First preceding taxation year to reduce taxable income		
Second preceding taxation year to reduce taxable income		
Third preceding taxation year to reduce taxable income		
Current-year non-capital loss net of carryback		+
	Subtotal	= 8,137
<b>Deduct:</b>		
Amount applied against taxable income (enter on line 704 of the CT23)	8,137	
Section 80 - adjustments for forgiven amounts		
Other adjustments		
	8,137	- 8,137
<b>Non-capital losses - Closing balance</b>		=

## Part 2 - Capital losses

### Continuity of capital losses and request for a carryback

			<b>Gross amount</b>
Capital losses at end of preceding taxation year			
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation			+
Current-year capital loss			+
	Subtotal		=
<b>Add:</b>			
Allowable business investment loss expired as a non-capital loss		X 4/3	+
		Subtotal	=
<b>Deduct:</b>			
Amount applied against current year capital gain			-
Section 80 adjustments for forgiven amounts			-
Other adjustments			-
		Subtotal	=
<b>Deduct - Request to carry back capital loss to:</b>			
	<b>Loss applied</b>	<b>Inclusion rate</b>	<b>Total</b>
First preceding taxation year		÷ 50.0000 % =	
Second preceding taxation year		÷ 50.0000 % =	
Third preceding taxation year		÷ 50.0000 % =	
		Subtotal	-
<b>Capital losses - Closing balance</b>			=

OS4  
Schedule 4

# Ontario loss continuity

## Part 3 - Farm loss

### Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year			
<b>Deduct:</b> Farm loss expired after 10 taxation years	-		
Farm losses at beginning of taxation year	=		
<b>Add:</b> Farm losses transferred on an amalgamation or the windup of a subsidiary corporation			+
Current-year farm loss			
<b>Deduct - Request to carry back farm loss to:</b>			
First preceding taxation year to reduce taxable income			
Second preceding taxation year to reduce taxable income			
Third preceding taxation year to reduce taxable income			
		Subtotal	
Current-year farm loss net of carryback			+
		Subtotal	=
<b>Deduct:</b>			
Amount applied against taxable income (enter on line 724 of the CT23)			
Section 80 - Adjustments for forgiven amounts			
Other adjustments			
			-
<b>Farm losses - Closing balance</b>			=

## Part 4 - Restricted farm loss

### Current-year restricted farm loss

Total losses for the year from farming business				<b>A</b>
<b>Minus</b> the deductible farm loss:				
\$2,500 plus B or C, whichever is less				
(Amount A above - \$2,500) divided by 2		<b>B</b>		
Maximum		<b>C</b>	6,250	
Deductible farm loss				-
<b>Current-year restricted farm loss</b>				

### Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year			
<b>Deduct:</b> Restricted farm loss expired after 10 taxation years	-		
Restricted farm losses at beginning of taxation year	=		
<b>Add:</b> Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation			+
Current-year restricted farm loss			
<b>Deduct - Request to carry back restricted farm loss to:</b>			
First preceding taxation year to reduce farming income			
Second preceding taxation year to reduce farming income			
Third preceding taxation year to reduce farming income			
Current-year restricted farm loss net of carryback			+
<b>Deduct:</b>			
Amount applied against taxable income (enter on line 734 of the CT23)			
Section 80 - Adjustments for forgiven amounts			
Other adjustments			
			-
<b>Restricted farm losses - Closing balance</b>			=





ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST	Ontario Corporations Tax Account No. (MOF) 7334207	Taxation Year End 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	127,234	15,800			143,034	7,900	135,134	4			5,405	137,629
2	980,788	11,763			992,551	5,882	986,669	6			59,200	933,351
8	7,260				7,260		7,260	20			1,452	5,808
10	25,818				25,818		25,818	30			7,745	18,073
8	32,912	13,411			46,323	6,706	39,617	20			7,923	38,400
10	75,866				75,866		75,866	30			22,760	53,106
36	7,600				7,600		7,600					7,600
12	17,836				17,836		17,836	100			17,836	
45		5,313			5,313	2,657	2,656	45			1,195	4,118
<b>Totals</b>	1,275,314	46,287				23,145	1,298,456				123,516	1,198,085

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.

Corporation's Legal Name HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION	Ontario Corporations Tax Account No. RMB17334207	Taxation Year End 2004/12/31
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- 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)			17,672	A	
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	+			B	
Amount transferred on amalgamation or wind-up of subsidiary	+			C	
Other adjustments	+			D	
<b>Total of B + C + D</b>	=		x 3/4=	E	
<b>Subtotal A + E</b>			=	17,672	F

<b>Deduct:</b> 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 <i>Income Tax Act</i> (Canada)	+			H	
Other adjustments	+			I	
<b>Total of G + H + I</b>	=		x 3/4=	J	
<b>Ontario cumulative eligible capital balance F - J</b>			=	17,672	K

If K is negative, enter zero at line M and proceed to Part 2

<b>Current year deduction</b>		17,672	K x 7%*	=	1,237	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

<b>Ontario cumulative eligible capital - closing balance K - L (if negative, enter zero)</b>	=			16,435	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
<b>N - O (cannot be negative)</b>					P
Amount on line 5			x 1/2		Q
<b>P - Q</b>					R
Amount on line R			x 66.6667		S
Lesser of line N or line O					T
<b>Amount to be included in income S + T</b>					

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S



# Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)  
**Schedule CT21**

Corporation's Legal Name <b>HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE</b>	Ontario Corporations Tax Account No. (MOF) <b>738207</b>	Taxation Year End <b>2004/12/31</b>
---	---	--

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
HEARST POWER SALES AND SERVICES COMPANY LIMITED	1800108	2004/12/31	
Aggregate of taxable capital			

Transfer to **540** of the CT23

## Authorizing or Cancelling a Representative

**Complete this form to:**

- **authorize** the release of confidential information about the Corporations Tax, Mining Tax or Electricity Act account(s) to the representative named below.
- **cancel** an existing authorization.

<b>Part 1 Client Information</b>			<b>This authorization applies to the following statute(s) and account number(s).</b> <input type="checkbox"/> Corporations Tax Act <input type="checkbox"/> Mining Tax Act <input type="checkbox"/> Electricity Act
Legal name		Phone number	
HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION		( ) -	
Mailing address			
Apt./Suite/Unit no. Street number and name / PO Box, RR			7334207
City	Province/Territory	Postal code	

<b>Part 2 Authorize the release of information to a representative</b>		
Name of representative (If a firm, name of firm.)	Phone number	Fax number
	( ) -	( ) -
Mailing address		
Apt./Suite/Unit no. Street number and name / PO Box, RR		
City	Province/Territory	Postal code

**If your representative is a firm, and you want a specific person in the firm to represent you, state their name and title.**  
 If you do not identify a specific individual in the firm, you are authorizing the Ministry of Finance to deal with anyone from that firm.

Name of representative (If a firm, name of firm.) Title	

<b>Part 3 Authorization scope and applicable years</b>	
<input checked="" type="checkbox"/> Representative to <b>deal fully</b> on your behalf with the Ministry of Finance. <b>or</b> <input type="checkbox"/> Representative to <b>deal in a limited manner</b> on your behalf, for matters specified here. (e.g., account inquiry, applications, annual returns, payments, etc.) ▼	<input checked="" type="checkbox"/> Representative to act for <b>all years</b> , including all previous and future years. <b>or</b> <input type="checkbox"/> Representative to act for <b>specific year or years</b> (describe). ▼

<b>Part 4 Cancel the release of information to a representative</b>		
Name of representative (If a firm, name of firm.)		
Last	First	
<b>If your representative is an individual within a firm, state their name and title.</b>		
Name of person in firm		Title
Last	First	

<b>Part 5 Signature</b> <i>This form will not be accepted unless it is completed fully, signed and dated.</i>		
I authorize the Ministry of Finance to:		
<ul style="list-style-type: none"> <li>• release confidential information about the tax accounts specified in Part 1 and to deal with the representative named in Part 2 in the manner described in Part 3; and/or</li> <li>• cancel an existing authorization as described in Part 4.</li> </ul>		
Name		Title / Relationship to Corporation Phone number
Last	First	
	NICOLE LEDUC	Manager (705) 372-2815
<b>Signature</b>		<b>Date</b>
		2011/09/14



Ministry of Finance

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

CT23 - Certification Form Diskette
Filing

Corporations Tax Account Number
7334207

Return I.D. # (Ministry Use Only)

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 2000/11/02
Return for taxation year Start 2004/01/01 End 2004/12/31
CCRA Business No. 890534811RC0001
Jurisdiction Incorporated ONTARIO

Corporation's legal name and mailing address HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST
Change of information? Yes No X
Care of

Address
P.O. BAG 5000

City HEARST Province ON Country CA Postal code P0L 1N0

Transmitter Details

Transmitter number
Transmitter name
Name of person to contact COLLINS BARROW
Telephone number (705) 362-4261
Facsimile number (705) 362-4641
Transmitter Address 1021 GEORGE STREET P.O. BOX 637 HEARST, ON P0L 1N0

Disk Reference Number
Aggregate of Total Revenue 210 8,449,978
Aggregate of Total Assets 209 6,350,026
Taxable Income (Non-capital Loss) 10 51,399
Total Tax Payable 950
Payments: 990 2,000
Enclosed:

Apply to: Year
Apply Amount:
975 Refund: Yes X No
If Yes, Due to:
Loss Carryback: Yes No X
Overpayment: Yes X No
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 NICOLE LEDUC
Title Manager
Full Residence address Alexandra Street

City Hearst
Province ON Country CA Postal code P0L 1N0

Signature
Phone Number (705) 372-2815 Date 2011/09/14

ProFile Version 2004.4.0 Approval code 051D

## Payment Advice

Corporations Tax Account Number	<u>7334207</u>	Enter the amount of payment and indicate taxation year.	
Date of Incorporation	<u>2000/11/02</u>	<b>Taxation Year End</b>	<b>Payment amount</b>
Corporation Name			\$ _____
HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION D		<u>2004/12/31</u>	\$ _____
		<b>Total Payment</b>	\$ _____

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.***

OInstalments

# Ontario tax instalments

## Instalment base

	Estimate for current year 2005/12/31	First instalment base 2004/12/31	Second instalment base 2003/12/31
Year-end			
Taxable income		51,399	
Base amount of tax		7,196	
Small business tax credit			
Surtax on CCPCs			
Manufacturing and processing profits credit			
Foreign tax credit			
Specified tax credits			
Other tax credits			
<b>Income tax payable</b>		7,196	
Corporate minimum tax payable			
Capital tax payable			
Premium tax payable			
<b>Total tax payable</b>		7,196	
Days in taxation year	365	365	365
Tax payable adjusted for short taxation years		7,196	
Estimated tax credits for the current year			
Instalment base		7,196	
Monthly payment		600	
Quarterly payment		1,799	

## Instalment payment options

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

## Instalment payments

Date	Instalments required	Instalments paid	Instalments payable
2005/01/31			
2005/02/28			
2005/03/31			
2005/04/30			
2005/05/31			
2005/06/30	2,399		
2005/07/31			
2005/08/31			
2005/09/30	2,399		
2005/10/31			
2005/11/30			
2005/12/31	2,399		
Total	7,197		





Shawinigan-Sud QC G9N 7S6

HEARST POWER DISTRIBUTION  
 COMPANY LIMITED/CORPORATION DE  
 925 ALEXANDRA STREET  
 P O BAG 5000  
 HEARST ON P0L 1N0

REÇU Le  
 16 MAI 2006  
 Rép.....

Date of mailing May 11, 2006
Business Number 89053 4811 RC0001
Taxation year-end December 31, 2005

0002409

CORPORATION NOTICE OF ASSESSMENT

RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment:	\$	0.00
Prior balance:	\$	0.00
		=====
Total balance:	\$	0.00

Please refer to the Summary and Explanation for additional information.



HEARST POWER DISTRIBUTION COMPANY  
 LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE  
 HEARST

Date of mailing May 11, 2006
Business Number 89053 4811 RC0001
Taxation year-end December 31, 2005

**CORPORATION NOTICE OF ASSESSMENT**

**SUMMARY OF ASSESSMENT**

	\$ Reported	\$ Assessed
Federal Tax:		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00
		=====
Total Federal Tax:		\$ 0.00
		=====
	Net balance:	\$ 0.00
		=====
	Result of this assessment:	\$ 0.00
	Prior balance:	\$ 0.00
		=====
	Total balance:	\$ 0.00

Michel Dorais  
 Commissioner of Revenue

**EXPLANATION**

We have revised the taxable income for the purpose of the small business deduction to \$12,767.00, to correct a mathematical error.

We have revised the business limit to \$300,000.00, to agree with the amount allocated to the corporation on Schedule 23, "Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit."

You are required to keep adequate records, including those produced electronically, either in French or in English within Canada. These records must provide sufficient details to determine tax obligations and entitlements and must be maintained at your place of business for a period of six years unless you obtain permission to dispose of them. If you have any questions concerning record keeping practices, please contact the nearest CRA tax services office.

Please visit our Web site at [www.cra.gc.ca/requests-business](http://www.cra.gc.ca/requests-business) for information about online requests available to business clients. This service allows clients to electronically request certain financial actions, additional remittance vouchers and other communication products, as well as reproductions of previously issued correspondence.

Did you know you may be eligible to file your return using our Corporation Internet Filing service. For information on eligibility criteria and the service in general, please visit [www.cra.gc.ca/corporation-internet](http://www.cra.gc.ca/corporation-internet).



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 corporation 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. For more information on how to complete the return, see the T2 Corporation - Income Tax Guide (T4012).

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's tax 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 89053 4811 RC 0001

Corporation's name 002 HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

Has the corporation changed its name since the last time we were notified? 003 Yes No (checked) If Yes, do you have a copy of the articles of amendment? 004 Yes No

Address of head office: Has this address changed since the last time we were notified? 010 Yes No (checked). (If Yes, complete lines 011 to 018) 011 P.O. BAG 5000 012 City Province, territory, or state 015 HEARST 016 ON 017 Country (other than Canada) 018 POL 1N0 Postal code/Zip code

To which tax 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 tax year? 063 Yes No (checked) If Yes, provide the date control was acquired 065

Mailing address (if different from head office address): Has this address changed since the last time we were notified? 020 Yes No (checked) (If Yes, complete lines 021 to 028) 021 c/o 022 P.O. BAG 5000 023 City Province, territory, or state 025 HEARST 026 ON 027 Country (other than Canada) 028 POL 1N0 Postal code/Zip code

Is the corporation a professional corporation that is a member of a partnership? 067 Yes No (checked) Is this the first year of filing after: Incorporation? 070 Yes No (checked) Amalgamation? 071 Yes No (checked) 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 tax year? If Yes, complete and attach Schedule 24 072 Yes No (checked)

Is this the final tax year before amalgamation? 076 Yes No (checked)

Is this the final return up to dissolution? 078 Yes No (checked)

Location of books and records: Has the location of books and records changed since the last time we were notified? 030 Yes No (checked) (If Yes, complete lines 031 to 038) 031 P.O. BAG 5000 032 City Province, territory, or state 035 HEARST 036 ON 037 Country (other than Canada) 038 POL 1N0 Postal code/Zip code

Is the corporation a resident of Canada? 080 Yes No (checked) 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 (checked) 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 (checked)

040 Type of corporation at the end of the tax year 1 Canadian-controlled private corporation (CCPC) (checked) 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 tax year, provide the effective date of the change 043

Do not use this area 091 092 093 094 095 096

**Attachments**

**Financial statement information:** Use GIF1 schedules 100, 125, and 141.

**Schedules** - Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.

	Yes	Schedule
Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160 <input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168 <input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	----
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202 <input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206 <input type="checkbox"/>	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 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	210 <input checked="" type="checkbox"/>	10
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233 <input type="checkbox"/>	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236 <input type="checkbox"/>	36
Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax?	255 <input type="checkbox"/>	92 *

\* We do not print this schedule.

**Attachments - Continued from page 2**

**Yes Schedule**

Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<b>256</b>	T1134-A
Did the corporation have any controlled foreign affiliates?	<b>258</b>	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<b>259</b>	T1135
Did the corporation transfer or loan property to a non-resident trust?	<b>260</b>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<b>261</b>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<b>262</b>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<b>263</b>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<b>264</b>	T1174

**Additional information**

Is the corporation inactive?	<b>280</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter Yes for first-time filers)	<b>281</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (Only complete if Yes was entered at line 281.)	<b>282</b>		
If the major business activity involves the resale of goods, show whether it is wholesale or retail	<b>283</b>	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	<b>284</b>	<b>285</b>	<b>286</b>
	ELECTRICAL UTILITY	100.000	%
		<b>287</b>	%
		<b>288</b>	%
Did the corporation immigrate to Canada during the tax year?	<b>291</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	<b>292</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL	<b>300</b>	12,767	A
<b>Deduct:</b> Charitable donations from Schedule 2	<b>311</b>		
Gifts to Canada, a province, or a territory from Schedule 2	<b>312</b>		
Cultural gifts from Schedule 2	<b>313</b>		
Ecological gifts from Schedule 2	<b>314</b>		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	<b>320</b>		
Part VI.1 tax deduction from Schedule 43 *	<b>325</b>		
Non-capital losses of preceding tax years from Schedule 4	<b>331</b>		
Net capital losses of preceding tax years from Schedule 4	<b>332</b>		
Restricted farm losses of preceding tax years from Schedule 4	<b>333</b>		
Farm losses of preceding tax years from Schedule 4	<b>334</b>		
Limited partnership losses of preceding tax years from Schedule 4	<b>335</b>		
Taxable capital gains or taxable dividends allocated from a central credit union	<b>340</b>		
Prospector's and grubstaker's shares	<b>350</b>		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")		12,767	C
<b>Add:</b> Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	<b>355</b>		D
<b>Taxable income</b> (amount C plus amount D)	<b>360</b>	12,767	
Income exempt under paragraph 149(1)(t)	<b>370</b>		
<b>Taxable income</b> 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 tax year**

Income from active business carried on in Canada from Schedule 7	<b>400</b>	12,767	A
Taxable income from line 360 on page 3, <b>minus</b> 10/3 of the amount on line 632 on page 7, <b>minus</b> 3 times the amount on line 636 on page 7, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax	<b>405</b>		B

**Calculation of the business limit:**

For all CCPCs, calculate the amount at line 4 below.

\$250,000 x	$\frac{\text{Number of days in the tax year in 2004}}{\text{Number of days in the tax year}}$	=	1	
\$300,000 x	$\frac{\text{Number of days in the tax year in 2005 and in 2006}}{\text{Number of days in the tax year}}$	=	300,000	2
\$400,000 x	$\frac{\text{Number of days in the tax year after 2006}}{\text{Number of days in the tax year}}$	=	3	
	Add amounts at lines 1, 2, and 3		300,000	4

Business limit (see notes 1 and 2 below)	<b>410</b>		C
--	------------	--	---

**Notes:** 1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.

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

**Business limit reduction:**

Amount C	x	<b>415</b>	=	D		E
				11,250		

Reduced business limit (amount C minus amount E) (if negative, enter "0")	<b>425</b>	0	F
---	------------	---	---

<b>Small business deduction</b> – 16% of whichever amount is the least: A, B, C, or F	<b>430</b>	0	G
---	------------	---	---

(enter amount G on line 9 of page 7)

**Accelerated tax reduction**

(For tax years ending before January 1, 2006)

**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 <b>minus</b> 3 times the amount at line 636** on page 7, and <b>minus</b> 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
--	--	--	--	--	---

<b>Accelerated tax reduction</b> - 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.

**Resource deduction**

Taxable resource income [as defined in subsection 125.11(1)]		<b>435</b>	H
Amount H _____ x	<u>Number of days in the taxation year in 2003</u>	_____ x 1% = _____	I
	Number of days in the taxation year		
Amount H _____ x	<u>Number of days in the taxation year in 2004</u>	_____ x 2% = _____	J
	Number of days in the taxation year		
Amount H _____ x	<u>Number of days in the taxation year in 2005</u>	_____ x 3% = _____	K
	Number of days in the taxation year		
Amount H _____ x	<u>Number of days in the taxation year in 2006</u>	_____ x 5% = _____	L
	Number of days in the taxation year		
Amount H _____ x	<u>Number of days in the taxation year after 2006</u>	_____ x 7% = _____	M
	Number of days in the taxation year		
<b>Resource deduction</b> – total of amounts I, J, K, L, and M		<b>438</b>	N
(enter amount N on line 10 of page 7)			

**General tax reduction for Canadian-controlled private corporations**

**Canadian-controlled private corporations throughout the tax 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	
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least _____	F	
Aggregate investment income from line 440 of page 6 _____	G	
Amount used to calculate the accelerated tax reduction (amount m of page 4) _____	H	
Subtotal	▶ _____	H
Amount A minus amount H (if negative, enter "0")	_____	I
<b>General tax reduction for Canadian-controlled private corporations</b> - Amount x 7%	_____	J
(Enter amount J on line 638 of page 7)		

**General tax reduction**

**Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation; and for tax years starting after May 1, 2006, any corporation with taxable income that is not subject to the full tax rate of 38% (eg. deposit insurance company).**

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 <b>minus</b> amount R (if negative, enter "0")	_____	S
<b>General tax reduction</b> - Amount S x 7%	_____	T
(enter amount T on line 639 of page 7)		

**Refundable portion of Part I tax**

**Canadian-controlled private corporations throughout the tax year**

Aggregate investment income **440** X 26 2/3 % = \_\_\_\_\_ A  
 (Amount O from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 \_\_\_\_\_

**Deduct:**

Foreign investment income **445** X 9 1/3 % = \_\_\_\_\_ B  
 (Amount L from Part 2 of Schedule 7) (if negative, enter "0")

Amount A **minus** amount B (if negative, enter "0") \_\_\_\_\_ C

Taxable income from line 360 on page 3 \_\_\_\_\_ 12,767

**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 = \_\_\_\_\_

12,767 X 26 2/3% = \_\_\_\_\_ 3,405 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 on page 8) \_\_\_\_\_

**Deduct:** Corporate surtax from line 600 of page 7 \_\_\_\_\_

Net amount \_\_\_\_\_ E

**Refundable portion of Part I tax** – Amount C, D, or E, whichever is the least **450** 0 F

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the preceding tax year **460**

**Deduct:** Dividend refund for the previous tax year **465** \_\_\_\_\_ G

**Add the total of:**

Refundable portion of Part I tax from line 450 above \_\_\_\_\_

Total Part IV tax payable from line 360 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** \_\_\_\_\_ H

**Refundable dividend tax on hand at the end of the tax year** - Amount G **plus** amount H **485** 0

**Dividend refund**

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

Taxable dividends paid in the tax year from line 460 on page 2 of Schedule 3 \_\_\_\_\_ X 1/3 \_\_\_\_\_ I

Refundable dividend tax on hand at the end of the tax year from line 485 above \_\_\_\_\_ J

**Dividend refund** – Amount I or J, whichever is less (enter this amount on line 784 of 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 **550** 0 A

**Corporate surtax calculation**

Base amount from line A above 1

**Deduct:**

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 1,277 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 tax 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 c

(line A plus line C and D minus line F)

Total of lines 2 to 6 1,277 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 III in Part 24 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 tax year)

Aggregate investment income from line 440 on page 6 i

Taxable income from line 360 on page 3 12,767

**Deduct:**

Amount on line 400, 405, 410, or 425 of page 4, whichever is the least

Net amount 12,767 ▶ 12,767 ii

**Refundable tax on CCPC's investment income** – 6 2/3% of whichever is less: amount i or ii **604** D

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

**Deduct:**

Small business deduction from line 430 on page 4 9

Federal tax abatement **608**

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 J on page 5 **638**

General tax reduction from amount T on page 5 **639**

Federal logging tax credit from Schedule 21 **640**

Federal political contribution tax credit **644**

Federal political contributions **646**

Federal qualifying environmental trust tax credit **648**

Investment tax credit from Schedule 31 **652**

Apprenticeship Job Creation Tax Credit (Applicable for salaries and wages paid to qualifying apprentices on or after May 2, 2006)

Subtotal F

**Part I tax payable** – Line E minus line F (enter amount G on line 700 of page 8) 0 G

**Summary of tax and credits**

**Federal tax**

Part I tax payable from page 7	700
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 0

**Add provincial and territorial tax:**

Provincial or territorial jurisdiction	750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)	
Net provincial or territorial tax payable (except Quebec, Ontario and Alberta)	760
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765

Total tax payable 0 A

**Deduct other credits:**

Investment tax credit refund from Schedule 31	780
Dividend refund from page 6	784
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	792
Canadian film or video production tax credit refund (Form T1131)	796
Film or video production services tax credit refund (Form T1177)	797
Tax withheld at source	800
Total payments on which tax has been withheld	801
Allowable refund for non-resident-owned investment corporations - Schedule 26	804
Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840
<b>Total credits</b>	<b>890</b>

B

Refund Code 894 Overpayment \_\_\_\_\_

Balance (line A minus line B) 0 I

**Direct Deposit Request**

If the result is negative, you have an **overpayment**.

If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid \_\_\_\_\_

Enclosed payment 898

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 tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes  2 No  NA

**Certification**

950 LEDUC 951 NICOLE 954 Manager  
Surname First name Position, office or rank

955 2011/09/14 956 (705) 372-2815  
Date 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 \_\_\_\_\_ 959 ( ) - \_\_\_\_\_  
Name Telephone number

**Language of correspondence - Langue de correspondance**

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



Canada Revenue Agency  
 Agence du revenu du Canada

**NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

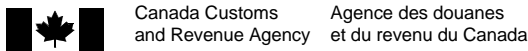
**Schedule 1**

- 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			<b>A</b>	25,040
<b>Add:</b>				
Provision for income taxes - current	<b>101</b>	(453)		
Provision for income taxes - deferred	<b>102</b>	(22,800)		
Amortization of tangible assets	<b>104</b>	108,950		
Total of fields 101 to 199	<b>500</b>	85,697	▶	85,697
<b>Deduct:</b>				
Capital cost allowance - Schedule 8	<b>403</b>	96,820		
Cumulative eligible capital deduction - Schedule 10	<b>405</b>	1,150		
Total of fields 401 to 499	<b>510</b>	97,970	▶	97,970
<b>Net income (loss) for income tax purposes</b> (enter on line 300 of the T2 return)				<u>12,767</u>

Canada Revenue  
AgencyAgence du revenu  
du Canada**CAPITAL COST ALLOWANCE****Schedule 8**Is the corporation electing under regulation 1101(5q)? **101** 1 Yes  2 No 

1 Class	2 UCC at start of year	3 Cost of additions in the year	4 Net adjustments	5 Proceeds of dispositions in the year	7 Adjustment for additions (1/2 x (col 3 - 5))	8 Base amount for CCA	9 Rate %	10 CCA for the year (col 8 x 9 or a lower amount)	11 Recapture of CCA	12 Terminal loss	13 UCC at the end of the year
<b>200</b>	<b>201</b>	<b>203</b>	<b>205</b>	<b>207</b>	<b>211</b>		<b>212</b>	<b>217</b>	<b>213</b>	<b>215</b>	<b>220</b>
1	137,629					137,629	4	5,505			132,124
2	933,351	51,671			25,836	959,186	6	57,551			927,471
8	5,808	2,464			1,232	7,040	20	1,408			6,864
10	18,073					18,073	30	5,422			12,651
8	38,400	12,340			6,170	44,570	20	8,914			41,826
10	53,106					53,106	30	15,932			37,174
36	7,600					7,600					7,600
45	4,118	1,044			522	4,640	45	2,088			3,074
<b>Totals</b>	<b>1,198,085</b>	<b>67,519</b>			<b>33,760</b>	<b>1,231,844</b>		<b>96,820</b>			<b>1,168,784</b>



**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION**

**Schedule 10**

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

<b>Cumulative eligible capital</b> - Balance at the end of the preceding taxation year (if negative, enter "0")	<b>200</b>	16,435	A
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	<b>222</b>		
Other adjustments	<b>226</b>		
Subtotal (line 222 plus line 226)			B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	<b>228</b>		C
amount B minus amount C (if negative, enter "0")			D
Amount transferred on amalgamation or wind-up of subsidiary	<b>224</b>		E
Subtotal (add amounts A, D, and E)	<b>230</b>	16,435	F
<b>Deduct:</b> Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	<b>242</b>		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	<b>244</b>		H
Other adjustments	<b>246</b>		I
(add amounts G, H, and I)			J
x 3/4 =	<b>248</b>		
<b>Cumulative eligible capital balance</b> (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)		16,435	K
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	<b>249</b>		
amount K		16,435	
less amount from line 249			
<b>Current year deduction</b>	16,435	x 7% =	<b>250</b>
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		1,150	L
<b>Cumulative eligible capital - Closing balance</b> (amount K minus amount L) (if negative, enter "0")	<b>300</b>	15,285	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	<b>400</b>	1	
Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7)	<b>401</b>	2	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	<b>402</b>	3	
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	<b>408</b>	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)	<b>409</b>	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
<b>Amount to be included in income</b> (amount S plus amount T) (enter this amount on line 108 of Schedule 1)	<b>410</b>		

## 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 tax year ending in a calendar year, is required to file an agreement for each tax year ending in that calendar year.

### Allocating the business limit

Date filed (do not use this area) **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	2 Business Number of associated corporations	3 Association code
	<b>100</b>	<b>200</b>	<b>300</b>
1	HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST	89053 4811 RC 0001	1
2	HEARST POWER SALES AND SERVICES COMPANY LIMITED	86368 9998 RC 0001	1

Allocate business limit using:  %  \$

	Taxation year		4 Business limit for the year (before allocation) \$	Allocating business limit		
				5 Percentage of the business limit (%)	6 Business limit allocated \$	7 Gross Part 1.3 tax for business limit reduction
	Start	End		<b>350</b>	<b>400</b>	
1	2005/01/01	2005/12/31	300,000	100.000	300,000	
2	2005/01/01	2005/12/31	300,000			
<b>TOTALS</b>				100.000	A 300,000	

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



**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)	Business Number (If a corporation is not registered, enter "NR") *	Social Insurance Number *	Trust Number (If a trust number is not available, enter "NA") *	Percentage common shares	Percentage preferred shares
<p style="text-align: center;"><b>100</b></p> The Corporation of the Town of Hearst	<p style="text-align: center;"><b>200</b></p> 10812 7051 RC 0001 RC	<p style="text-align: center;"><b>300</b></p>	<p style="text-align: center;"><b>350</b></p>	<p style="text-align: center;"><b>400</b></p> 100.000	<p style="text-align: center;"><b>500</b></p>

\* For a taxation year commencing before January 1, 2004, if the shareholder is a trust, enter NR at field 200 or NA at field 300. Do not enter a trust number in field 350.

**BALANCE SHEET INFORMATION****Schedule 100**

<b>Assets</b>	<b>Code</b>	<b>Current year</b>	<b>Prior year</b>
Cash and deposits	<b>1000</b>	3,930,662	3,500,898
Accounts Receivable	1060	1,910,521	1,576,860
Inventories	1120	102,177	112,925
Short term investments	1180	11,565	1,068
Taxes recoverable / refundable	1483	30,424	
Prepaid expenses	1484	14,021	14,928
Land	1600	11,832	11,832
Buildings	1680	201,570	201,570
Machinery, equipment, furniture and fixtures	1740	3,546	
Motor vehicles	1742	441,136	441,136
Small tools	1770	90,920	90,920
Computer equipment / software	1774	133,328	132,283
Other machinery and equipment	1785	2,855,772	2,801,637
Accumulated amortization of other machinery and equipment	1786	(2,729,704)	(2,622,024)
Furniture and fixtures	1787	42,162	33,369
Goodwill	2012	18,095	19,368
Other Canadian long term investments	2311	32,585	33,256
<b>Total assets</b>	<b>2599</b>	<b>7,100,612</b>	<b>6,350,026</b>

<b>Liabilities</b>	<b>Code</b>	<b>Current year</b>	<b>Prior year</b>
Bank overdraft	<b>2600</b>		
Amounts payable and accrued liabilities	2620	2,436,475	1,721,578
Taxes payable	2680		8,025
Due to related parties	2860	96,054	133,227
Other current liabilities	2960	55,848	
Long term debt	3140	1,700,000	1,700,000
<b>Total liabilities</b>	<b>3499</b>	<b>4,288,377</b>	<b>3,562,830</b>

<b>Equity</b>	<b>Code</b>	<b>Current year</b>	<b>Prior year</b>
Common shares	<b>3500</b>	10,000	10,000
Retained earnings / deficit	<b>3600</b>	2,802,235	2,777,195
<b>Total equity</b>	<b>3620</b>	<b>2,812,235</b>	<b>2,787,195</b>
<b>Total liabilities and equity</b>	<b>3640</b>	<b>7,100,612</b>	<b>6,350,025</b>

<b>Retained earnings</b>	<b>Code</b>	<b>Current year</b>	<b>Prior year</b>
Retained earnings/deficit-start	<b>3660</b>	2,777,195	2,736,220
Net income / loss	<b>3680</b>	25,040	40,975
<b>Total retained earnings</b>	<b>3849</b>	<b>2,802,235</b>	<b>2,777,195</b>



**INCOME STATEMENT INFORMATION****Schedule 125****Details**

Operating name, if different from the corporations' legal name

**0001** limited

Description of operation, if filing multiple Schedules 125

**0002**

Revenue	Code	Current year	Prior year
Trade sales of goods and services	<b>8000</b>	9,454,671	8,449,978
Total sales of goods and services	<b>8089</b>	9,454,671	8,449,978
Investment revenue	8090	102,393	93,868
Other revenue	8230	55,324	73,132
Total revenue	<b>8299</b>	9,612,388	8,616,978

Cost of sales	Code	Current year	Prior year
Opening inventory	<b>8300</b>		
Purchases / cost of materials	8320	8,881,744	7,782,580
Cost of sales	<b>8518</b>	8,881,744	7,782,580
Gross profit / loss (item 8089 - item 8518)	<b>8519</b>	572,927	667,398

Operating expenses	Code	Current year	Prior year
Advertising and promotion	8520	1,944	290
Amortization of tangible assets	8670	108,950	131,059
Interest and bank charges	8710	7,608	5,755
Interest on long term debt	8714	15,000	50,000
Office expenses	8810	4,803	11,481
Rental	8910	8,164	8,012
Repairs and maintenance	8960	261,733	157,809
Salaries and wages	9060	191,101	198,306
Sub-contracts	9110	46,967	42,654
Supplies	9130	62,874	68,963
Other expenses	9270	19,713	109,069
Total operating expenses	<b>9367</b>	728,857	783,398
Total expenses	<b>9368</b>	9,610,601	8,565,978
Net non-farming income	<b>9369</b>	1,787	51,000

Farming revenue	Code	Current year	Prior year
Grains and oilseeds	<b>9370</b>		
Total farm revenue	<b>9659</b>		

Farming expenses	Code	Current year	Prior year
Crop expenses	<b>9660</b>		
Total farm expenses	<b>9898</b>		
Net farm income	<b>9899</b>		
Net income / loss before taxes and extraordinary items	<b>9970</b>	1,787	51,000

**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 -	(453)	10,025
Future income tax provision	9995 -	(22,800)	-
Net income / loss after taxes and extraordinary items	9999 =	25,040	= 40,975

**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  NoIs 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  NoHas there been a change in accounting policies since the last return? **103**  Yes  NoAre subsequent events mentioned in the notes? **104**  Yes  NoIs re-evaluation of asset information mentioned in the notes? **105**  Yes  NoIs contingent liability mentioned in the notes? **106**  Yes  NoIs information regarding commitments mentioned in the notes? **107**  Yes  NoDoes 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



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 **Page 1 of 20**

Ministry Use

Corporation's Legal Name (including punctuation) HEARST POWER DISTRIBUTION COMPANY LIMITED/CORPORATION DE DISTRIBUTION ELECTRIQUE			Ontario Corporations Tax Account No. (MOF) 7334207		
Mailing address P.O. BAG 5000 City HEARST Province ON Country CA Postal code POL 1N0			This Return covers the Taxation Year Start 2005/01/01 End 2005/12/31		
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes		Date of change	Date of Incorporation or Amalgamation 2000/11/02		
Registered/Head Office Address P.O. BAG 5000 City HEARST Province ON Country CA Postal code POL 1N0			Ontario Corporation No. (MCBS) 7334207		
Location of Books and Records P.O. BAG 5000 City HEARST Province ON Country CA Postal code POL 1N0			Canada Customs and Revenue Agency Business No. 890534811RC0001		
Name of person to contact regarding this CT23 Return NICOLE LEDUC		Telephone No. (705) 372-2815	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		
Former Corporation Name (Extra-Provincial Corporations only) <input type="checkbox"/> Not Applicable (MCBS)			<input checked="" type="checkbox"/> Not Applicable		
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). No. of Schedule(s) 0			Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français		
If there is <b>no change</b> to the Directors/Officers/Administrators' information previously submitted to MCBS, please check <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). <input type="checkbox"/> 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  
NICOLE LEDUC

Title:  Director  Officer  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**  
 Page 2 of 20

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

City	Province	Country	Postal code
------	----------	---------	-------------

2. Ontario Corporation No. (MCBS)

--

3. Canada Customs and Revenue Agency Business No.

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		Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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 %	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(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.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(e) The corporation is <b>not</b> 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).
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(c) The corporation is <b>not</b> a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(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 (1) box(es) if applicable in sections 1 & 2

- 1**  Canadian-controlled private (CCPC) all year  
(Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2  Other Private
- 3  Public
- 4  Non-share Capital
- 5  Other (specify)
- Share Capital with full voting rights owned by Canadian Residents. (nearest %) 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  
electrical utility

- 2** 1  Family Farm Corporation s.1(2)      14  Bare Trustee Corporation
- 2  Family Fishing Corporation s.1(2)      15  Branch of Non-resident s.63(1)
- 3  Mortgage Investment Corp s.47      16  Financial institution prescribed by Regulation only
- 4  Credit Union s.51      17  Investment Dealer
- 5  Bank Mortgage Subsidiary s.61(4)      18  Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 6  Bank s.1(2)      19  Hydro successor, Municipal Electrical Utility or subsidiary of either
- 7  Loan and Trust Corporation s.61(4)      20  Producer and seller of steam for uses other than for the generation of electricity
- 8  Non-resident Corp s.2(2)(a) or (b)      21  Insurance Exchange s.74.4
- 9  Non-resident Corporation s.2(2)(c)      22  Farm Feeder Finance Co-operative Corporation
- 10  Mutual Fund Corporation s.48      23  Professional Corporation (incorporated professionals only)
- 11  Non-resident owned investment Corporation s.49
- 12  Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

Please check (1) box(es) if applicable:

- First Year of Filing       Final Taxation Year up to Dissolution (wind-up)  
(Note: For discontinued businesses, see Guide.)       Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- Ammended Return       Final Taxation Year before Amalgamation       Acquisition of Control fed s.249(4)  
Date control was acquired: \_\_\_\_\_
- Taxation Year End has changed - Canada Customs and Revenue Agency approval required       Floating Fiscal Year End

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

# 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±	12,767
Subtract: Charitable donations		1 -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)		2 -	
Subtract: Taxable dividends deductible, per federal Schedule 3		3 -	
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002R)		4 -	
Subtract: Federal Part VI.1 tax		5 -	
Subtract: Prior years' losses applied - Non-capital losses	From	704-	
	From	715	
Net capital losses (page 16)	X	inclusion rate	50.000000 % = 714-
Farm losses		From	724-
Restricted farm losses		From	734-
Limited partnership losses		From	754-
<b>Taxable income (Non-capital loss)</b>		10 =	12,767
Addition to taxable income for unused foreign tax deduction for federal purposes		11 +	
<b>Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)</b>		20 =	12,767

Taxable Income	Number of days in Taxation Year		%	%	%	%	%	%
	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days						
From 10 (or 20) 12,767	X30	100.0000	% X 12.5	% X 33	÷	73	365 =	29+
		Ontario Allocation		Days after Dec. 31, 2003		Total Days		
From 10 (or 20) 12,767	X30	100.0000	% X 14.0	% X 34	÷	73	365 =	32+ 1,787
		Ontario Allocation						
<b>Income Tax Payable (before deduction of tax credits) 29 + 32</b>								<b>40 = 1,787</b>

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

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

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

\* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50	12,767
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 (line 410 of the T2 return) for the year before application of fed.s.125(5.1)	55+	

### Ontario Business Limit Calculation

Days after Dec. 31, 2002 and before Jan. 1, 2004	320,000 X 31	÷ **	365	=+	46
Days after Dec. 31, 2003	400,000 X 34	365	÷ **	365	=+ 47 400,000
Business limit for Ontario purposes 46 + 47	= 44	400,000 X 48	100.0000 % =	45	400,000

<b>Income eligible for the IDSBC</b>	From	30	100.0000 % X	56	60 =
		***Ontario Allocation		Least of 50, 54 or 45	

\* **Note:** Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

\*\* **Note:** Adjust accordingly for a floating taxation year and use 366 for a leap year.

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

continued on Page 5

**Income Tax** *continued from Page 4*

		<b>Number of Days in Taxation Year</b>			
		Days after Dec. 31, 2002 and before Jan. 1, 2004	÷	Total Days	
<b>Calculation of IDSBC Rate</b>	7.0 % X	31	÷	73	365 = 89 +
	8.5 % X	34	÷	73	365 = 90 + 8.5000
<b>IDSBC Rate for Taxation Year</b>		<b>89 + 90</b>			<b>78 = 8.5000</b>
<b>Claim</b>	From	60	X	From	78 8.5000 % <b>70 =</b>

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 +** 12,767

**If you are a member of an associated group (1)** 81  (Yes)

Taxable income of associated corporations (*Attach schedule*) **82 +**  
 Aggregate Taxable Income **85 = 12,767**

		<b>Number of days in Taxation Year</b>			
		Days after Dec. 31, 2002 and before Jan. 1, 2004	÷	Total Days	
320,000 X	31	÷	73	365 =	115+
400,000 X	34	÷	73	365 =	116+ 400,000
				<b>115 + 116</b>	<b>= 400,000 ▶</b>
					<b>114 - 400,000</b>
(If negative, enter nil)					<b>86 =</b>

		<b>Number of Days in Taxation Year</b>			
		Days after Dec. 31, 2002	÷	Total Days	
<b>Calculation of Specified Rate for Surtax</b>	4.667% X	38	÷	73	365 = 97 + 4.6670
From 86	X	From 97	4.6670 % =		87 =
From 87	X	From 60	÷	From 114	400,000 <b>88 =</b>

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

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

*continued on Page 6*



**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 -

Add: Adjustment for Surtax on Canadian-controlled private corporations  
 From 100 \_\_\_\_\_ ÷ From 30  $\frac{100.0000}{100}$  % ÷ From 78  $\frac{8.5000}{100}$  % = 121 \_\_\_\_\_  
\*Ontario Allocation

Lesser of 56 or 121 122 +

120 - 56 + 122 130 =

**Taxable income** From 10 + 12,767

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 = 12,767

**Claim** **Number of Days in Taxation Year**

143 _____ X From	30 $\frac{100.0000}{100}$ % X 1.5% X	33 _____ ÷	73 $\frac{365}{365}$ =	154 +
Lesser of 130 or 142	<small>*Ontario Allocation</small>			

143 _____ X From	30 $\frac{100.0000}{100}$ % X 2.0% X	34 $\frac{365}{365}$ ÷	73 $\frac{365}{365}$ =	156 +
Lesser of 130 or 142	<small>*Ontario Allocation</small>			

M&P claim for taxation year 154 + 156 160 =

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

**Manufacturing and Processing Profits Credit for Electrical Generating Corporations**

161 =

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

162 =

**Credit for Foreign Taxes Paid (s.40)**

**Applies** if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R) *(Attach schedule)* 170

**Credit for Investment in Small Business Development Corporations (SBDC)**

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

Eligible Credit 175 \_\_\_\_\_ Credit Claimed 180

**Subtotal of Income Tax** 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 190 = 1,787

*continued on Page 7*

**Income Tax** *continued from Page 6*

**Specified Tax Credits** *(Refer to Guide)*

**Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies* to scientific research and experimental development in Ontario.

Eligible Credit from **5620** OITC Claim Form *(Attach original Claim Form)* 191 +

**Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.

Eligible Credit from **5798** CT23 Schedule 113 *(Attach Schedule 113)* 192 +

**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)**

*Applies* to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.

Name of Production **204**  
 Eligible Credit from **5850** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* 193 +

**Graduate Transitions Tax Credit (GTTC) (s.43.6)**

*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.

No. of Graduates From **6596**  
 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)**

*Applies* to employment of eligible apprentices.

No. of Apprentices From **5896**  
 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 =

**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 = 1,787

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)

<b>Total Assets of the corporation</b>	<b>240+</b>	7,100,612	
<b>Total Revenue of the corporation</b>			<b>241+</b> 9,454,671
<i>The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.</i>			
<b>If you are a member of an associated group (1) 242</b> <input checked="" type="checkbox"/> (Yes)			
Total Assets of associated corporations (Attach schedule)	<b>243+</b>		
Total Revenue of associated corporations (Attach schedule)			<b>244+</b>
<b>Aggregate Total Assets</b>	<b>249=</b>	7,100,612	
<b>Aggregate Total Revenue</b>			<b>250=</b> 9,454,671

## 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	<b>2136</b>	1,787	X	From <b>30</b>	100.0000	% X 4%	<b>276=</b>	71
				If negative, enter zero			Ontario Allocation		
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)								<b>277-</b>	
Subtract: Income Tax								From <b>190-</b>	1,787
<b>Net CMT Payable</b> (if negative, enter Nil on page 17.)								<b>280=</b>	

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**.

<b>CMT Credit Carryover available</b>	From Schedule 101		From <b>2333</b>	
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## Application of CMT Credit Carryovers

<b>A.</b>	Income Tax (before deduction of specified credits)		From <b>190+</b>	1,787
	Gross CMT Payable	From <b>276+</b>	71	
	Subtract: Foreign Tax Credit for CMT purposes	From <b>277-</b>		
	If <b>276 - 277</b> is negative, enter NIL in <b>290</b>	<b>=</b>	71	<b>290-</b> 71
	<b>Income Tax eligible for CMT Credit</b>			<b>300=</b> 1,716
<b>B.</b>	Income Tax (after deduction of specified credits)		From <b>230+</b>	1,787
	Subtract: CMT credit used to reduce income taxes		<b>310-</b>	
	<b>Income Tax</b>		<b>320=</b>	1,787

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)**CT23 Page 9 of 20**

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)	<b>350+</b>
Retained earnings (if deficit, deduct) (Int.B. 3012R)	<b>351±</b>
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012R)	<b>352+</b>
Loans and advances (Attach schedule)(Int.B. 3013R)	<b>353+</b>
Bank loans (Int.B. 3013R)	<b>354+</b>
Bankers acceptances (Int.B. 3013R)	<b>355+</b>
Bonds and debentures payable (Int.B. 3013R)	<b>356+</b>
Mortgages payable (Int.B. 3013R)	<b>357+</b>
Lien notes payable (Int.B. 3013R)	<b>358+</b>
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)	<b>359+</b>
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	<b>360+</b>
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	<b>361+</b>
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	<b>362+</b>
<b>Subtotal</b>	<b>370=</b>
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)	<b>371-</b>
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	<b>372-</b>
<b>Total Paid-up Capital</b>	<b>380=</b>
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	<b>381-</b>
<b>Electrical Generating Corporations Only</b> - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the <i>Corporations Tax Act</i> , and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	<b>382-</b>
<b>Net Paid-up Capital</b>	<b>390=</b>

**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)	<b>402+</b>
Mortgages due from other corporations	<b>403+</b>
Shares in other corporations (certain restrictions apply) (Refer to Guide)	<b>404+</b>
Loans and advances to unrelated corporations	<b>405+</b>
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	<b>406+</b>
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	<b>407+</b>
<b>Total Eligible Investments</b>	<b>410=</b>

continued on Page 10

**Capital Tax** *continued from Page 9*

**Total Assets** (Int.B. 3015R)

Total Assets per balance sheet	420+	7,100,612
Mortgages or other liabilities deducted from assets	421+	
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	422+	
Subtract: Investment in partnership(s)/joint venture(s)	423-	
<b>Total Assets as adjusted</b>	<b>430=</b>	<b>7,100,612</b>
Amounts in <b>360</b> and <b>361</b> (if deducted from assets)	440+	
Subtract: Amounts in <b>371</b> , <b>372</b> and <b>381</b>	441-	
Subtract: Appraisal surplus if booked	442-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443±	
<b>Total Assets</b>	<b>450=</b>	<b>7,100,612</b>

<b>Investment Allowance</b> (410 ÷ 450) X 390	Not to exceed 410	460=
<b>Taxable Capital</b> 390 - 460		470=

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)			
Gross Revenue of the corporation		9,454,671	
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue ( <i>Attach schedule</i> )			
Aggregate of Gross Revenue		9,454,671	480
<b>Total Assets</b> (as adjusted)	From	430	9,454,671

**Calculation of Capital Tax for all Corporations except Financial Institutions**

**Note:** This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002.

Financial Institutions use calculations on page 13.

- Important:** If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.
- OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.
- OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

**SECTION A**

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018). Enter NIL in **550** on page 12 and complete the return from that point.

**SECTION B**

Calculation of Taxable Capital Deduction (TCD)	Number of Days in Taxation Year		
	Days before Jan. 1, 2005	Total Days	
5,000,000 X	35	365	= 500 +
	Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days	
7,500,000 X	36	365	= 501 + 7,500,000
	Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days	
10,000,000 X	37	365	= 502 +
<b>Taxable Capital Deduction (TCD)</b> 500 + 501 + 502			<b>503 = 7,500,000</b>

**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 <b>470</b>		Days in taxation year	
- From <b>503</b>			
= <b>471</b>	x From <b>30</b>	x 0.3% x <b>555</b>	= <b>523+</b>
	Ontario Allocation	365 (366 if leap year) If floating taxation year, refer to Guide.	Transfer to <b>543</b> 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** (1 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** (1 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** +

**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** +  
 Aggregate Taxable Capital **470 + 531** **540** =

If **540** above is equal to or less than the TCD **503** on page 10, the corporation's Capital Tax for the taxation year, is NIL.  
 Enter NIL in **523** in section E on page 12, as applicable.  
 If **540** above is greater than the TCD **503** on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From **470** \_\_\_\_\_ ÷ From **540** \_\_\_\_\_ X From **503** \_\_\_\_\_ **541** =  
*Transfer to **542** in Section E on page 12*

**Ss.69(2.1) Election Filed**

**591** (1 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*







**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± 12,767  
Transfer to Page 15

**Add:**

Federal capital cost allowance	601+	96,820
Federal cumulative eligible capital deduction	602+	1,150
Ontario taxable capital gain	603+	
Federal non-allowable reserves. Balance beginning of year	604+	
Federal allowable reserves. Balance end of year	605+	
Ontario non-allowable reserves. Balance end of year	606+	
Ontario allowable reserves. Balance beginning of year	607+	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608+	
Federal resource allowance (Refer to Guide)	609+	
Federal depletion allowance	610+	
Federal foreign exploration and development expenses	611+	
Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)	617+	
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

**Number of Days in Taxation Year**

Days after Dec. 31, 2002 and before Jan. 1, 2004      Total Days  
**612** \_\_\_\_\_ X 5/12.5 X **33** \_\_\_\_\_ ÷ **73** \_\_\_\_\_ = **633+** \_\_\_\_\_

Days after Dec. 31, 2003      Total Days  
**612** \_\_\_\_\_ X 5/14.0 X **34** \_\_\_\_\_ ÷ **73** \_\_\_\_\_ = **634+** \_\_\_\_\_

Total add-back amount for Management fees, etc. <b>633 + 634 =</b>	<b>613+</b>	
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	<b>615+</b>	
Add any negative amount in 473 from Ont. CT23 Schedule 161	<b>616+</b>	
Federal allowable business investment loss	<b>620+</b>	
Total of other items not allowed by Ontario but allowed federally (Attach schedule)	<b>614+</b>	
<b>Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614</b>	<b>=</b>	<b>97,970 640</b> <u>97,970</u>
		Transfer to Page 15

**Deduct:**

Ontario capital cost allowance (excludes amounts deducted under 675)	650+	96,820
Ontario cumulative eligible capital deduction	651+	1,150
Federal taxable capital gain	652+	
Ontario non-allowable reserves. Balance beginning of year	653+	
Ontario allowable reserves. Balance end of year	654+	
Federal non-allowable reserves. Balance end of year	655+	
Federal allowable reserves. Balance beginning of year	656+	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	657+	
Ontario depletion allowance	658+	
Ontario resource allowance (Refer to Guide)	659+	
Ontario current cost adjustment (Attach schedule)	661+	
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	675+	
<b>Subtotal of deductions for this page 650 to 659 + 661 + 675</b>	<b>681</b>	<u>97,970</u>
		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	<b>600</b> ±	12,767
Total of Additions on page 14	From	<b>640</b> =	97,970

Sub Total of deductions on page 14	From	<b>681</b> =	97,970
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**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	Gross-up of CCA			
<b>662</b>	x 100/ 30	100.0000	- From <b>662</b>	<b>663</b> =
			Ontario Allocation	

**Workplace Child Care Tax Incentive (WCCT)**

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: <b>665</b>	x 30% x 100/ 30	100.0000	<b>666</b> =
		Ontario Allocation	

**Workplace Accessibility Tax Incentive (WATI)**

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: <b>667</b>	x 100% x 100/ 30	100.0000	<b>668</b> =
		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 <b>670</b>	x 30% x 100/ 30	100.0000	<b>671</b> =
		Ontario Allocation	

**Educational Technology Tax Incentive (ETTI)**

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures <b>672</b>	x 15% x 100/ 30	100.0000	<b>673</b> =
		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**+

<b>Total of Deductions</b> <b>681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664</b>	=	97,970	<b>680</b>	97,970
---	---	--------	------------	--------

<b>Net income (loss) for Ontario Purposes</b> <b>600 + 640 - 680</b>	<b>690</b> =	12,767	<b>690</b> =	12,767
		Transfer to Page 4		

**Continuity of Losses Carried Forward****CT23 Page 16 of 20**

	<b>Non-Capital Losses (1)</b>	<b>Total Capital Losses</b>	<b>Farm Losses</b>	<b>Restricted Farm Losses</b>	<b>Listed Personal Property Losses</b>	<b>Limited Partnership Losses (6)</b>
<b>Balance at Beginning of Year</b>	<b>700 (2)</b>	<b>710 (2)</b>	<b>720 (2)</b>	<b>730</b>	<b>740</b>	<b>750</b>
<b>Add:</b>	<b>701</b>	<b>711</b>	<b>721</b>	<b>731</b>	<b>741</b>	<b>751</b>
Current year's losses (7)						
Losses from predecessor corporations (3)	<b>702</b>	<b>712</b>	<b>722</b>	<b>732</b>		<b>752</b>
	<b>703</b>	<b>713</b>	<b>723</b>	<b>733</b>	<b>743</b>	<b>753</b>
<b>Subtotal</b>						
<b>Subtract:</b>	<b>704 (2)</b>	<b>715 (2)(4)</b>	<b>724 (2)</b>	<b>734 (2)(4)</b>	<b>744 (4)</b>	<b>754 (4)</b>
Utilized during the year to reduce taxable income Expired during the year Carried back to prior years to reduce taxable income (5)	<b>705</b>		<b>725</b>	<b>735</b>	<b>745</b>	
<b>Subtotal</b>	<b>706 (2) To Pg 17</b>	<b>716 (2) To Pg 17</b>	<b>726 (2) To Pg 17</b>	<b>736 (2) To Pg 17</b>	<b>746</b>	
	<b>707</b>	<b>717</b>	<b>727</b>	<b>737</b>	<b>747</b>	<b>757</b>
<b>Balance at End of Year</b>	<b>709 (8)</b>	<b>719</b>	<b>729</b>	<b>739</b>	<b>749</b>	<b>759</b>

**Analysis of Balance by Year of Origin**

<b>Year of Origin (oldest year first)</b>	<b>Non Capital Losses</b>	<b>Non-Capital Losses of Predecessor Corporations</b>	<b>Total Capital Losses from Listed Personal Property only</b>	<b>Farm Losses</b>	<b>Restricted Farm Losses</b>
<b>800</b> 9th preceeding taxation year	<b>817 (6)</b>	<b>860 (6)</b>		<b>850</b>	<b>870</b>
<b>801</b> 8th preceeding taxation year	<b>818 (6)</b>	<b>861 (6)</b>		<b>851</b>	<b>871</b>
<b>802</b> 7th preceeding taxation year	<b>819 (6)</b>	<b>862 (6)</b>		<b>852</b>	<b>872</b>
<b>803</b> 6th preceeding taxation year	<b>820</b>	<b>830</b>	<b>840</b>	<b>853</b>	<b>873</b>
<b>804</b> 5th preceeding taxation year 2000/12/31	<b>821</b>	<b>831</b>	<b>841</b>	<b>854</b>	<b>874</b>
<b>805</b> 4th preceeding taxation year 2001/12/31	<b>822</b>	<b>832</b>	<b>842</b>	<b>855</b>	<b>875</b>
<b>806</b> 3rd preceeding taxation year 2002/12/31	<b>823</b>	<b>833</b>	<b>843</b>	<b>856</b>	<b>876</b>
<b>807</b> 2nd preceeding taxation year 2003/12/31	<b>824</b>	<b>834</b>	<b>844</b>	<b>857</b>	<b>877</b>
<b>808</b> 1st preceeding taxation year 2004/12/31	<b>825</b>	<b>835</b>	<b>845</b>	<b>858</b>	<b>878</b>
<b>809</b> Current taxation year 2005/12/31	<b>826</b>	<b>836</b>	<b>846</b>	<b>859</b>	<b>879</b>
<b>Total</b>	<b>829</b>	<b>839</b>	<b>849</b>	<b>869</b>	<b>889</b>

**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:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
<b>Total amount of loss</b>	<b>910</b>	<b>920</b>	<b>930</b>	<b>940</b>
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
	<b>Predecessor Corporation's Account No. (MOF)</b>	<b>Taxation Year Ending</b>		
i) 3rd preceding	<b>901</b>	<b>2002/12/31</b>	<b>911</b>	<b>921</b>
ii) 2nd preceding	<b>902</b>	<b>2003/12/31</b>	<b>912</b>	<b>922</b>
iii) 1st preceding	<b>903</b>	<b>2004/12/31</b>	<b>913</b>	<b>923</b>
<b>Total loss to be carried back</b>			From <b>706</b>	From <b>716</b>
<b>Balance of loss available for carry-forward</b>	<b>919</b>	<b>929</b>	<b>939</b>	<b>949</b>

## Summary

Income Tax	From <b>230</b> or	<b>320</b> +	1,787
Corporate Minimum Tax	From	<b>280</b> +	
Capital Tax	From	<b>550</b> +	
Premium Tax	From	<b>590</b> +	
<b>Total Tax Payable</b>		<b>950</b> =	
Subtract:	Payments	<b>960</b> -	
	Capital Gains Refund (s.48)	<b>965</b> -	
	Qualifying Environmental Trust Tax Credit (Refer to Guide)	<b>985</b> -	
	Specified Tax Credits (Refer to Guide)	<b>955</b> -	
<b>Balance</b>		<b>970</b> =	
<b>If payment due</b>	Enclosed *	<b>990</b>	
<b>If overpayment: Refund</b>	(Refer to Guide)	<b>975</b> =	
<b>Apply to</b>		<b>980</b>	

(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		
NICOLE LEDUC		
Title		
Manager		
Full Residence Address		
Alexandra Street		
City		
Hearst		
Province	Country	Postal Code
ON		POL 1N0
Signature		Date
		2011/09/14

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

Hearst Power Distribution Company Limited

EB-2011-0171

Filed: October 14, 2012

Exhibit 3

Tab2

Schedule 1

Appendix5

Appendix 5 of 5

Financial Statements

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**AUDITORS' REPORT AND  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2001**

**AUDITORS' REPORT**

To the Shareholder of Hearst Power Distribution Company Limited/  
Corporation de distribution électrique de Hearst  
Hearst, Ontario

We have audited the balance sheet of the Hearst Power Distribution Company Limited/ Corporation de distribution électrique de Hearst as at December 31, 2001 and the statements of income and retained earnings and contributed capital 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 corporation as at December 31, 2001 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in the note 2 to the financial statements.



Chartered Accountants  
March 21, 2002  
NP/ch

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENT OF INCOME**

**YEAR ENDED DECEMBER 31, 2001**

	Budget	2001 (12 months)	2000 (2 months)
<b>SERVICE REVENUE</b>			
General and commercial	\$ 5,608,786	\$ 5,675,473	\$ 1,015,955
Residential	2,196,369	2,231,687	341,530
Street lighting	86,445	76,858	11,746
	<u>7,891,600</u>	<u>7,984,018</u>	<u>1,369,231</u>
<b>COST OF ENERGY</b>	<u>7,020,944</u>	<u>7,185,266</u>	<u>1,318,349</u>
<b>GROSS MARGIN</b>	870,656	798,752	50,882
<b>INTEREST INCOME</b>	135,600	140,148	9,544
<b>OTHER REVENUE</b>	58,833	108,534	14,015
<b>CONTRIBUTION FROM HYDRO ONE</b>	17,026	17,026	5,675
	<u>1,082,115</u>	<u>1,064,460</u>	<u>80,116</u>
<b>EXPENDITURES</b>			
<b>DISTRIBUTION, OPERATION AND MAINTENANCE</b>			
Lines and feeders	186,196	165,196	26,203
Transformers	5,150	6,099	776
Meters	16,533	13,171	778
	<u>207,879</u>	<u>184,466</u>	<u>27,757</u>
<b>ADMINISTRATION AND FINANCE</b>			
Meter reading, billing and collecting	131,439	124,755	34,435
General administration	145,431	130,865	30,795
Interest on demand note	-	228,300	-
	<u>276,870</u>	<u>483,920</u>	<u>65,230</u>
<b>AMORTIZATION</b>	<u>139,223</u>	<u>151,229</u>	<u>25,341</u>
<b>TOTAL EXPENDITURES</b>	<u>623,972</u>	<u>819,615</u>	<u>118,328</u>
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	458,143	244,845	(38,212)
<b>INCOME TAXES</b>	<u>-</u>	<u>11,115</u>	<u>-</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 458,143</u>	<u>\$ 233,730</u>	<u>\$ (38,212)</u>



**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENTS OF RETAINED EARNINGS  
AND CONTRIBUTED CAPITAL**

**YEAR ENDED DECEMBER 31, 2001**

	<u>2001</u>	<u>2000</u>
<b>RETAINED EARNINGS</b>		
Retained earnings, as previously stated	\$ 1,763,423	\$ 1,801,635
Prior period adjustment (note 9)	<u>100,000</u>	<u>100,000</u>
Retained earnings, as re-stated	1,863,423	1,901,635
Net income (loss)	<u>233,730</u>	<u>(38,212)</u>
Balance, end of year	<u>\$ 2,097,153</u>	<u>\$ 1,863,423</u>
<b>CONTRIBUTED CAPITAL</b>		
Balance, beginning and end of year	<u>\$ 553,783</u>	<u>\$ 553,783</u>

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**BALANCE SHEET**

**DECEMBER 31, 2001**

	<b>2001</b>	<b>2000 (restated note 9)</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 2,344,705	\$ 2,948,386
Unbilled revenue	881,018	764,733
Accounts receivable (note 3)	95,259	144,351
Inventory	124,441	112,453
Prepaid expenses	11,630	8,996
	<u>3,457,053</u>	<u>3,978,919</u>
PRE-MARKET OPENING ENERGY VARIANCE	170,820	-
INVESTMENT (note 4)	24,000	24,000
PROPERTY AND EQUIPMENT (note 5)	1,340,208	1,446,325
OTHER ASSETS (note 6)	72,413	19,000
	<u>\$ 5,064,494</u>	<u>\$ 5,468,244</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Other regulatory liabilities	\$ 175,555	\$ -
Accounts payable and accrued charges	163,882	905,532
Income taxes payable	615	-
Due to Town of Hearst	312,443	384,518
Demand loan (note 7)	1,700,000	1,700,000
	<u>2,352,495</u>	<u>2,990,050</u>
LONG-TERM CUSTOMER DEPOSITS	51,063	50,988
	<u>2,403,558</u>	<u>3,041,038</u>
<b>SHAREHOLDER'S EQUITY</b>		
CAPITAL STOCK (note 8)	10,000	10,000
RETAINED EARNINGS	2,097,153	1,863,423
CONTRIBUTED CAPITAL	553,783	553,783
	<u>2,660,936</u>	<u>2,427,206</u>
	<u>\$ 5,064,494</u>	<u>\$ 5,468,244</u>

# HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

---

### 1. NATURE OF BUSINESS

The corporation owns all the electrical distribution system in the territory of the corporation of the Town of Hearst and is responsible for the distribution of the electrical power on this territory.

---

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by statutes. Except for the principle of disposal of property and equipment, all principles employed are in accordance with Canadian generally accepted accounting principles.

#### INVENTORY

Inventory is valued at the lower of cost and net realizable value. Most of the inventory is used for own purposes and is eventually added to the property and equipment. Cost is determined on the average cost basis.

#### PROPERTY AND EQUIPMENT

Amortization of property and equipment is provided on a straight-line basis over the following periods:

Building and fixtures	50 years
Overhead lines and feeders	25 years
Underground lines and feeders	25 years
Transformers	25 years
Meters	25 years
Office equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Other equipment	10 years

When property and equipment are disposed, the proceeds of disposition are recorded as a reduction to the appropriate property and equipment accounts. Consequently, gains and losses on disposals are brought into income over the depreciable lives of the remaining property and equipment.

#### AMORTIZATION OF ORGANIZATION COSTS

The organization costs are amortized on a straight line basis over 20 years.

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**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2001**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**AMORTIZATION OF TRANSITION COSTS**

Transition costs are amortized on a straight line basis over 5 years.

**3. ACCOUNTS RECEIVABLE**

	<b>2001</b>	<b>2000</b>
Electrical energy	\$ 76,976	\$ 75,652
Others	35,283	71,960
	112,259	147,612
Allowance for doubtful accounts	17,000	3,261
	\$ 95,259	\$ 144,351

**4. INVESTMENT**

	<b>2001</b>	<b>2000</b>
Investment in Enerconnect Limited Partnership, a buying group for Municipal Electric Commissions	\$ 24,000	\$ 24,000

**5. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2001 Net</b>	<b>2000 Net</b>
Land	\$ 7,600	\$ -	\$ 7,600	\$ 7,600
Building and fixtures	185,770	49,404	136,366	139,812
Underground lines and feeders	1,925,267	1,148,823	776,444	822,383
Transformers	502,937	387,581	115,356	121,660
Meters	314,498	186,747	127,751	131,323
Office equipment	13,420	13,233	187	283
Automotive equipment	441,136	318,986	122,150	168,463
Computer equipment	58,397	40,863	17,534	16,520
Other equipment	96,173	61,299	34,874	36,092
Land rights	2,432	486	1,946	2,189
	\$3,547,630	\$2,207,422	\$1,340,208	\$1,446,325

# HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

### 6. OTHER ASSETS

	Cost	Accumulated Amortization	2001 Net	2000 Net
Organisation costs	\$ 25,471	\$ 2,284	\$ 23,187	\$ 19,000
Qualifying transition cost	61,533	12,307	49,226	-
	\$ 87,004	\$ 14,591	\$ 72,413	\$ 19,000

### 7. DEMAND LOAN

	2001	2000 (restated note 9)
The Corporation of the Town of Hearst promissory note, interest at the lesser of 12 % the net income for the year payable on a monthly basis, no fixed capital repayment	\$ 1,700,000	\$ 1,700,000

### 8. CAPITAL STOCK

	2001	2000
AUTHORIZED		
Unlimited number of preference shares, dividends at the discretion of the directors, non voting		
Unlimited number of common shares		
ISSUED		
10,000 common shares	\$ 10,000	\$ 10,000

### 9. CONTINGENCY

The Ontario Energy Board currently requires that a power purchase variance account be recorded by the Corporation representing the difference between the utility's purchased cost of power based on time-of-use and the amounts billed to non time-of-use customers. As at December 31, 2001, the power purchase variance amounted to 57,677\$ including 978\$ interest.

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2001**

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**10. PRIOR PERIOD ADJUSTMENT**

Following the finalization of the reorganization process, part of the money recorded as demand loan was deemed belonging to Hearst Power Sales and Services Company Limited/Corporation de Services et Ventes d'énergie de Hearst as described in the Final by-law. Accordingly, \$ 100,000 was reduced from the demand loan and added to the retained earnings.

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**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**AUDITORS' REPORT AND  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**



## AUDITORS' REPORT

To the Shareholder of Hearst Power Distribution Company Limited/  
Corporation de distribution électrique de Hearst  
Hearst, Ontario

We have audited the balance sheet of the Hearst Power Distribution Company Limited/ Corporation de distribution électrique de Hearst as at December 31, 2003 and the statements of income and retained earnings and contributed capital 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 corporation as at December 31, 2003 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in the note 2 to the financial statements.



Chartered Accountants  
March 30, 2004  
ML/ajc



**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

Statement of income	1
Statement of retained earnings and Contributed capital	2
Balance sheet	3
Statement of cash flow	4
Notes to financial statements	5 - 9

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENT OF INCOME**

**YEAR ENDED DECEMBER 31, 2003**

	<b>Budget</b>	<b>2003 Actual</b>	<b>2002 Actual</b>
<b>SERVICE REVENUE</b>			
Electricity	\$ 5,841,876	\$ 5,481,403	\$ 7,392,237
Distribution	591,636	639,722	693,289
Wholesale market services, transmission and connection	1,864,667	1,722,047	1,081,310
	<u>8,298,179</u>	<u>7,843,172</u>	<u>9,166,836</u>
<b>COST OF SALES</b>			
Electricity	5,926,875	5,591,257	7,376,424
Wholesale market services	1,797,298	1,719,586	1,149,203
	<u>7,724,173</u>	<u>7,310,843</u>	<u>8,525,627</u>
<b>GROSS MARGIN</b>	574,006	532,329	641,209
<b>INTEREST INCOME</b>	72,580	97,991	76,921
<b>OTHER REVENUE</b>	45,915	58,385	60,955
	<u>692,501</u>	<u>688,705</u>	<u>779,085</u>
<b>EXPENDITURES</b>			
<b>DISTRIBUTION, OPERATION AND MAINTENANCE</b>			
Lines and feeders	153,534	175,428	176,034
Transformers	3,365	4,639	4,244
Meters	10,370	11,060	9,369
	<u>167,269</u>	<u>191,127</u>	<u>189,647</u>
<b>ADMINISTRATION AND FINANCE</b>			
Meter reading, billing and collecting	164,341	143,162	163,187
General administration	178,961	148,925	165,111
Interest on demand note	-	37,495	-
	<u>343,302</u>	<u>329,582</u>	<u>328,298</u>
<b>AMORTIZATION</b>	<u>172,019</u>	<u>167,996</u>	<u>172,927</u>
<b>TOTAL EXPENDITURES</b>	<u>682,590</u>	<u>688,705</u>	<u>690,872</u>
<b>INCOME BEFORE INCOME TAXES</b>	9,911	-	88,213
<b>INCOME TAXES</b>	<u>2,081</u>	<u>-</u>	<u>6,176</u>
<b>NET INCOME</b>	<u>\$ 7,830</u>	<u>\$ -</u>	<u>\$ 82,037</u>

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENT OF RETAINED EARNINGS  
AND CONTRIBUTED CAPITAL**

**YEAR ENDED DECEMBER 31, 2003**

	2003	2002
<b>RETAINED EARNINGS</b>		
Balance, beginning of year	\$ 2,180,207	\$ 2,098,170
Net income	-	82,037
Balance, end of year	\$ 2,180,207	\$ 2,180,207
<b>CONTRIBUTED CAPITAL</b>		
Balance, beginning and end of year	\$ 553,783	\$ 553,783

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**BALANCE SHEET**

**DECEMBER 31, 2003**

	2003	2002
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 3,085,222	\$ 2,341,379
Unbilled revenue	910,183	932,112
Accounts receivable (note 3)	657,967	895,443
Income taxes recoverable	31,500	36,352
Inventory	118,956	110,610
Prepaid expenses	13,171	12,370
	<u>4,816,999</u>	<u>4,328,266</u>
PRE-MARKET OPENING ENERGY VARIANCE	50,926	47,375
INVESTMENT (note 4)	24,000	24,000
PROPERTY AND EQUIPMENT (note 5)	1,174,223	1,258,419
OTHER ASSETS (note 6)	88,673	116,726
	<u>\$ 6,154,821</u>	<u>\$ 5,774,786</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges	\$ 1,466,660	\$ 1,053,798
Other regulatory liabilities	71,045	67,494
Due to Town of Hearst	115,749	149,601
Demand loan (note 8)	1,700,000	1,700,000
	<u>3,353,454</u>	<u>2,970,893</u>
LONG-TERM CUSTOMER DEPOSITS	57,377	59,903
	<u>3,410,831</u>	<u>3,030,796</u>
<b>SHAREHOLDER'S EQUITY</b>		
CAPITAL STOCK (note 9)	10,000	10,000
RETAINED EARNINGS	2,180,207	2,180,207
CONTRIBUTED CAPITAL	553,783	553,783
	<u>2,743,990</u>	<u>2,743,990</u>
	<u>\$ 6,154,821</u>	<u>\$ 5,774,786</u>



**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENT OF CASH FLOW**

**YEAR ENDED DECEMBER 31, 2003**

	2003	2002
<b>OPERATING ACTIVITIES</b>		
Net income	\$ -	\$ 82,037
Items not requiring cash:		
Amortization	167,996	172,927
	167,996	254,964
Changes in:		
Unbilled revenue	21,929	(51,094)
Accounts receivable	237,476	(800,184)
Income taxes recoverable	4,852	(35,950)
Inventory	(8,346)	13,831
Prepaid expenses	(801)	(740)
Pre market opening energy variance	(3,551)	123,445
Other regulatory liabilities	3,551	(108,061)
Accounts payable and accrued charges	412,862	889,916
Due to Town of Hearst	(33,852)	(162,843)
	802,116	123,284
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(56,837)	(63,084)
Purchase of other assets	-	(72,366)
Proceeds from sale of property and equipment	1,090	-
	(55,747)	(135,450)
<b>FINANCING ACTIVITIES</b>		
Change in customer deposits	(2,526)	8,840
<b>INCREASE (DECREASE) IN CASH POSITION</b>	743,843	(3,326)
<b>CASH POSITION, BEGINNING OF YEAR</b>	641,379	644,705
<b>CASH POSITION, END OF YEAR (note 10)</b>	\$ 1,385,222	\$ 641,379

# HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

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### 1. NATURE OF BUSINESS

The corporation owns all the electrical distribution system in the territory of the Corporation of the Town of Hearst and is responsible for the distribution of the electrical power on this territory.

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### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by statutes. Except for the principle of disposal of property and equipment, all principles employed are in accordance with Canadian generally accepted accounting principles.

#### INVENTORY

Inventory is valued at the lower of cost and net realizable value. Most of the inventory is used for own purposes and is eventually added to the property and equipment. Cost is determined on the average cost basis.

#### PROPERTY AND EQUIPMENT

Amortization of property and equipment is provided on a straight-line basis over the following periods:

Building and fixtures	50 years
Overhead lines and feeders	25 years
Underground lines and feeders	25 years
Transformers	25 years
Meters	25 years
Office equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Other equipment	10 years

When property and equipment are disposed, the proceeds of disposition are recorded as a reduction to the appropriate property and equipment accounts. Consequently, gains and losses on disposals are brought into income over the depreciable lives of the remaining property and equipment.

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**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**AMORTIZATION OF ORGANIZATION COSTS**

The organization costs are amortized on a straight line basis over 20 years.

**AMORTIZATION OF TRANSITION COSTS**

Transition costs are amortized on a straight line basis over 5 years.

**FUTURE INCOME TAXES**

Income taxes are provided, at current rates, for all items included in the statement of income regardless of the period in which such items are reported for income tax purposes. The principal item which results in timing differences between financial and tax reporting purposes is amortization. Future income taxes are adjusted for changes in income tax rates.

**USE OF ESTIMATES**

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

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**3. ACCOUNTS RECEIVABLE**

	<b>2003</b>	<b>2002</b>
Electrical energy	\$ 499,544	\$ 733,433
Others	<u>166,772</u>	<u>174,224</u>
	666,316	907,657
Allowance for doubtful accounts	<u>8,349</u>	<u>12,214</u>
	<u>\$ 657,967</u>	<u>\$ 895,443</u>

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**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

**4. INVESTMENT**

	2003	2002
Investment in Enerconnect Limited Partnership, a buying group for Municipal Electric Commissions	\$ 24,000	\$ 24,000

**5. PROPERTY AND EQUIPMENT**

	Cost	Accumulated Amortization	2003 Net	2002 Net
Land	\$ 7,600	\$ -	\$ 7,600	\$ 7,600
Building and fixtures	185,770	56,296	129,474	132,920
Underground lines and feeders	1,935,257	1,256,195	679,062	731,112
Transformers	508,705	403,954	104,751	110,112
Meters	320,900	208,606	112,294	120,894
Office equipment	30,472	16,238	14,234	11,841
Automotive equipment	441,136	406,717	34,419	75,836
Computer equipment	126,970	72,965	54,005	28,897
Other equipment	107,218	70,293	36,925	37,505
Land rights	2,432	973	1,459	1,702
	\$ 3,666,460	\$ 2,492,237	\$ 1,174,223	\$ 1,258,419

**6. OTHER ASSETS**

	Cost	Accumulated Amortization	2003 Net	2002 Net
Organisation costs	\$ 25,471	\$ 4,830	\$ 20,641	\$ 21,914
Qualifying transition cost	133,899	65,867	68,032	94,812
	\$ 159,370	\$ 70,697	\$ 88,673	\$ 116,726

**7. BANK INDEBTEDNESS**

The corporation has an approved line of credit of 300,000\$, at prime, secured by a general security agreement on all of the company's assets.



**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

**8. DEMAND LOAN**

	<b>2003</b>	<b>2002</b>
The Corporation of the Town of Hearst promissory note, interest at the lesser of 12 % and the net income for the year payable on a monthly basis, no fixed capital repayment	\$ 1,700,000	\$ 1,700,000

**9. CAPITAL STOCK**

	<b>2003</b>	<b>2002</b>
<b>AUTHORIZED</b>		
Unlimited number of preference shares, dividends at the discretion of the directors, non voting		
Unlimited number of common shares		
<b>ISSUED</b>		
10,000 common shares	\$ 10,000	\$ 10,000

**10. STATEMENT OF CASH FLOW**

**CASH POSITION**

Cash position consists of cash on hand, balances with banks and the demand loan with the Town of Hearst and is comprised of the following balance sheet amounts:

	<b>2003</b>	<b>2002</b>
Cash	\$ 3,085,222	\$ 2,341,379
Demand loan	<u>(1,700,000)</u>	<u>(1,700,000)</u>
	<b>\$ 1,385,222</b>	<b>\$ 641,379</b>

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

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**11. RELATED PARTY TRANSACTIONS**

During the year, the company incurred the following related party transactions with its sole shareholder, the Corporation of the Town of Hearst.

Service revenue	\$	343,467
Rent		3,967
Clerical and answering services		25,115
Interest on demand loan		37,495

These transactions are in the normal courses of operations and are measured at the exchange amount which is received and paid on similar terms as those of unrelated parties.

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**12. FINANCIAL INSTRUMENTS**

The company's financial instruments consists of cash, accounts receivable, temporary and long-term investments, demand loan, accounts payable and accrued changes, amounts due to related parties. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximated their carrying values, unless otherwise noted.

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**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**AUDITORS' REPORT AND  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**

## AUDITORS' REPORT

To the Shareholder of Hearst Power Distribution Company Limited/  
Corporation de distribution électrique de Hearst  
Hearst, Ontario

We have audited the balance sheet of the Hearst Power Distribution Company Limited/ Corporation de distribution électrique de Hearst as at December 31, 2004 and the statements of income, retained earnings and contributed capital and cash flow 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 corporation as at December 31, 2004 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in the note 2 to the financial statements.



Chartered Accountants  
April 6, 2005  
ML/ajc



**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**

Statement of income	1
Statement of retained earnings and Contributed capital	2
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**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENT OF INCOME**

**YEAR ENDED DECEMBER 31, 2004**

	Budget	2004 Actual	2003 Actual
<b>SERVICE REVENUE</b>			
Electricity	\$ 6,511,713	\$ 6,009,684	\$ 5,562,983
Distribution	638,029	641,277	639,722
Wholesale market services, transmission and connection	1,864,195	1,799,017	1,722,047
	<u>9,013,937</u>	<u>8,449,978</u>	<u>7,924,752</u>
<b>COST OF SALES</b>			
Electricity	6,511,713	5,989,552	5,591,257
Wholesale market services	1,864,195	1,793,028	1,719,586
	<u>8,375,908</u>	<u>7,782,580</u>	<u>7,310,843</u>
<b>GROSS MARGIN</b>	638,029	667,398	613,909
<b>INTEREST INCOME</b>	71,583	93,868	97,991
<b>OTHER REVENUE</b>	44,613	73,132	60,615
	<u>754,225</u>	<u>834,398</u>	<u>772,515</u>
<b>EXPENDITURES</b>			
<b>DISTRIBUTION, OPERATION AND MAINTENANCE</b>			
Lines and feeders	170,937	208,155	175,428
Transformers	3,988	4,164	4,639
Meters	10,249	12,083	11,060
	<u>185,174</u>	<u>224,402</u>	<u>191,127</u>
<b>ADMINISTRATION AND FINANCE</b>			
Meter reading, billing and collecting	112,040	121,692	143,162
General administration	198,542	168,675	148,925
Interest on demand note	-	50,000	37,495
	<u>310,582</u>	<u>340,367</u>	<u>329,582</u>
<b>TRANSFORMER ALLOWANCE</b>	85,000	87,570	81,580
<b>AMORTIZATION</b>	153,608	131,059	167,996
<b>TOTAL EXPENDITURES</b>	<u>734,364</u>	<u>783,398</u>	<u>770,285</u>
<b>INCOME BEFORE INCOME TAXES</b>	19,861	51,000	2,230
<b>INCOME TAXES</b>	4,369	10,025	-
<b>NET INCOME</b>	<u>\$ 15,492</u>	<u>\$ 40,975</u>	<u>\$ 2,230</u>

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENT OF RETAINED EARNINGS  
AND CONTRIBUTED CAPITAL**

**YEAR ENDED DECEMBER 31, 2004**

	<b>2004</b>	<b>2003</b>
<b>RETAINED EARNINGS</b>		
BALANCE, BEGINNING OF YEAR	\$ 2,182,437	\$ 2,180,207
NET INCOME	<u>40,975</u>	<u>2,230</u>
BALANCE, END OF YEAR	<u>\$ 2,223,412</u>	<u>\$ 2,182,437</u>
<b>CONTRIBUTED CAPITAL</b>		
BALANCE, BEGINNING AND END OF YEAR	<u>\$ 553,783</u>	<u>\$ 553,783</u>

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**BALANCE SHEET**

**DECEMBER 31, 2004**

	2004	2003
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 3,500,898	\$ 3,085,222
Unbilled revenue	1,016,825	910,183
Accounts receivable (note 3)	560,035	725,999
Income taxes recoverable	-	31,500
Inventory	112,925	118,956
Prepaid expenses	14,928	13,171
	<u>5,205,611</u>	<u>4,885,031</u>
PRE-MARKET OPENING ENERGY VARIANCE	1,068	6,940
INVESTMENT (note 4)	33,256	24,000
PROPERTY AND EQUIPMENT (note 5)	1,090,723	1,174,223
OTHER ASSETS (note 6)	19,368	20,641
	<u>\$ 6,350,026</u>	<u>\$ 6,110,835</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges	\$ 1,656,294	\$ 1,466,660
Income taxes payable	8,025	-
Other regulatory liabilities	18,957	24,829
Due to Town of Hearst	133,227	115,749
Demand loan (note 8)	1,700,000	1,700,000
Customers deposits	46,328	57,377
	<u>3,562,831</u>	<u>3,364,615</u>
<b>SHAREHOLDER'S EQUITY</b>		
CAPITAL STOCK (note 9)	10,000	10,000
RETAINED EARNINGS	2,223,412	2,182,437
CONTRIBUTED CAPITAL	553,783	553,783
	<u>2,787,195</u>	<u>2,746,220</u>
	<u>\$ 6,350,026</u>	<u>\$ 6,110,835</u>



**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENT OF CASH FLOW**

**YEAR ENDED DECEMBER 31, 2004**

	2004	2003
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 40,975	\$ 2,230
Items not requiring cash:		
Amortization	131,059	167,996
	172,034	170,226
Changes in:		
Unbilled revenue	(106,642)	21,929
Accounts receivable	165,964	237,476
Income taxes recoverable/payable	39,525	4,852
Inventory	6,031	(8,346)
Prepaid expenses	(1,757)	(801)
Pre market opening energy variance	5,872	40,435
Other regulatory liabilities	(5,872)	(42,665)
Accounts payable and accrued charges	189,634	412,862
Due to Town of Hearst	17,478	(33,852)
Change in customers deposits	(11,049)	(2,526)
	471,218	799,590
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(46,287)	(56,837)
Purchase of investment	(9,255)	-
Proceeds from sale of property and equipment	-	1,090
	(55,542)	(55,747)
<b>INCREASE IN CASH POSITION</b>	415,676	743,843
<b>CASH POSITION, BEGINNING OF YEAR</b>	1,385,222	641,379
<b>CASH POSITION, END OF YEAR (note 10)</b>	\$ 1,800,898	\$ 1,385,222

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**

---

**1. NATURE OF BUSINESS**

The corporation owns all the electrical distribution system in the territory of the Corporation of the Town of Hearst and is responsible for the distribution of the electrical power on this territory.

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**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by statutes. Except for the principle of disposal of property and equipment, all principles employed are in accordance with Canadian generally accepted accounting principles.

**REVENUE RECOGNITION**

Revenue from the sale of electricity is recorded on a basis of cyclical billings and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed.

**INVENTORY**

Inventory is valued at the lower of cost and net realizable value. Most of the inventory is used for own purposes and is eventually added to the property and equipment. Cost is determined on the average cost basis.

**PROPERTY AND EQUIPMENT**

Amortization of property and equipment is provided on a straight-line basis over the following periods:

Building and fixtures	50 years
Overhead lines and feeders	25 years
Underground lines and feeders	25 years
Transformers	25 years
Meters	25 years
Office equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Other equipment	10 years

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# HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When property and equipment are disposed, the proceeds of disposition are recorded as a reduction to the appropriate property and equipment accounts. Consequently, gains and losses on disposals are brought into income over the depreciable lives of the remaining property and equipment.

#### AMORTIZATION OF ORGANIZATION COSTS

The organization costs are amortized on a straight line basis over 20 years.

#### CUSTOMERS DEPOSITS

Customers' advance deposits are cash collections from customers to mitigate the financial risk of non-payment of energy bills. Security deposits are refunded on customers account when a customer is deemed to have maintained a good payment history during the relevant time period set out in the customer security deposit policy.

#### USE OF ESTIMATES

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

### 3. ACCOUNTS RECEIVABLE

	2004	2003
Electrical energy	\$ 377,257	\$ 499,544
Others	185,632	234,804
	562,889	734,348
Allowance for doubtful accounts	2,854	8,349
	\$ 560,035	\$ 725,999



**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**

**4. INVESTMENT**

	2004	2003
Investment in Enerconnect Limited Partnership, a buying group for Municipal Electric Commissions		
Original cost	\$ 24,000	\$ 24,000
Share of limited partnership income	9,256	-
	<u>\$ 33,256</u>	<u>\$ 24,000</u>

**5. PROPERTY AND EQUIPMENT**

	Cost	Accumulated Amortization	2004 Net	2003 Net
Land	\$ 7,600	\$ -	\$ 7,600	\$ 7,600
Building and fixtures	201,570	60,058	141,512	129,474
Underground lines and feeders	1,938,142	1,310,193	627,949	679,062
Transformers	514,149	412,438	101,711	104,751
Meters	322,358	219,644	102,714	112,294
Office equipment	33,369	18,232	15,137	14,234
Automotive equipment	441,136	435,250	5,886	34,419
Computer equipment	132,283	90,061	42,222	54,005
Other equipment	117,908	74,752	43,156	36,925
Land rights	4,232	1,396	2,836	1,459
	<u>\$ 3,712,747</u>	<u>\$ 2,622,024</u>	<u>\$ 1,090,723</u>	<u>\$ 1,174,223</u>

**6. OTHER ASSETS**

	Cost	Accumulated Amortization	2004 Net	2003 Net
Organisation costs	\$ 25,471	\$ 6,103	\$ 19,368	\$ 20,641

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**

**7. BANK INDEBTEDNESS**

The corporation has an approved line of credit of 300,000\$, at prime, secured by a general security agreement on all of the company's assets.

**8. DEMAND LOAN**

	<b>2004</b>	<b>2003</b>
The Corporation of the Town of Hearst, promissory note, interest at the lesser of 12 % or a part of the net income for the year, payable on a monthly basis, no fixed capital repayment	\$ 1,700,000	\$ 1,700,000

**9. CAPITAL STOCK**

	<b>2004</b>	<b>2003</b>
<b>AUTHORIZED</b>		
Unlimited number of preference shares, dividends at the discretion of the directors, non voting		
Unlimited number of common shares		
<b>ISSUED</b>		
10,000 common shares	\$ 10,000	\$ 10,000

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**

**10. STATEMENT OF CASH FLOW**

**CASH POSITION**

Cash position consists of cash on hand, balances with banks and the demand loan with the Town of Hearst and is comprised of the following balance sheet amounts:

	<b>2004</b>	<b>2003</b>
Cash	\$ 3,500,898	\$ 3,085,222
Demand loan	<u>(1,700,000)</u>	<u>(1,700,000)</u>
	<b><u>\$ 1,800,898</u></b>	<b><u>\$ 1,385,222</u></b>

**INTEREST AND INCOME TAXES**

Cash payments were made for the following items:

	<b>2004</b>	<b>2003</b>
Interest	\$ 55,757	\$ 45,294
Income taxes	<u>2,000</u>	<u>31,500</u>
	<b><u>\$ 57,757</u></b>	<b><u>\$ 76,794</u></b>

**11. RELATED PARTY TRANSACTIONS**

During the year, the company incurred the following related party transactions with its sole shareholder, the Corporation of the Town of Hearst.

	<b>2004</b>	<b>2003</b>
Service revenue	\$ 456,077	\$ 343,467
Rent	8,012	3,967
Clerical and answering services	23,259	25,115
Interest on demand loan	50,000	37,495

These transactions are in the normal courses of operations and are measured at the exchange amount which is received and paid on similar terms as those of unrelated parties.

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**

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**12. COMPARATIVE FINANCIAL STATEMENTS**

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

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**13. FINANCIAL INSTRUMENTS**

The company's financial instruments consists of cash, accounts receivable, temporary and long-term investments, demand loan, accounts payable and accrued changes, amounts due to related parties. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximated their carrying values, unless otherwise noted.

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**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**AUDITORS' REPORT AND  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2005**



## AUDITORS' REPORT

To the Shareholder of Hearst Power Distribution Company Limited/  
Corporation de distribution électrique de Hearst  
Hearst, Ontario

We have audited the balance sheet of the Hearst Power Distribution Company Limited/ Corporation de distribution électrique de Hearst as at December 31, 2005 and the statements of income, retained earnings and contributed capital and cash flow 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 corporation as at December 31, 2005 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in the note 2 to the financial statements.



Chartered Accountants  
March 26, 2006  
MLM/lm

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2005**

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**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENT OF INCOME**

**YEAR ENDED DECEMBER 31, 2005**

	Budget	2005 Actual	2004 Actual
<b>SERVICE REVENUE</b>			
Electricity	\$ 6,023,287	\$ 6,962,269	\$ 6,009,684
Distribution	600,533	640,752	641,277
Wholesale market services, transmission and connection	1,911,617	1,851,650	1,799,017
	<u>8,535,437</u>	<u>9,454,671</u>	<u>8,449,978</u>
<b>COST OF SALES</b>			
Electricity	6,116,537	7,017,548	5,989,552
Wholesale market services	1,765,233	1,864,196	1,793,028
	<u>7,881,770</u>	<u>8,881,744</u>	<u>7,782,580</u>
<b>GROSS MARGIN</b>	653,667	572,927	667,398
<b>INTEREST INCOME</b>	84,000	102,393	93,868
<b>OTHER REVENUE</b>	39,992	55,324	73,132
	<u>777,659</u>	<u>730,644</u>	<u>834,398</u>
<b>EXPENDITURES DISTRIBUTION, OPERATION AND MAINTENANCE</b>			
Lines and feeders	185,540	205,966	208,155
Transformers	87,900	92,621	91,734
Meters	10,022	8,197	12,083
	<u>283,462</u>	<u>306,784</u>	<u>311,972</u>
<b>ADMINISTRATION AND FINANCE</b>			
Meter reading, billing and collecting	115,294	122,817	121,692
General administration	218,672	175,306	168,675
Interest on demand note	-	15,000	50,000
	<u>333,966</u>	<u>313,123</u>	<u>340,367</u>
<b>AMORTIZATION</b>	138,603	108,950	131,059
<b>TOTAL EXPENDITURES</b>	<u>756,031</u>	<u>728,857</u>	<u>783,398</u>
<b>INCOME BEFORE PAYMENTS IN LIEU OF INCOME TAXES</b>	<u>21,628</u>	<u>1,787</u>	<u>51,000</u>
<b>PAYMENTS IN LIEU OF INCOME TAXES (RECOVERY)</b>			
Current	-	(453)	10,025
Future	-	(22,800)	-
	<u>21,628</u>	<u>(23,253)</u>	<u>10,025</u>
<b>NET INCOME</b>	<u>\$ 21,628</u>	<u>\$ 25,040</u>	<u>\$ 40,975</u>

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENT OF RETAINED EARNINGS  
AND CONTRIBUTED CAPITAL**

**YEAR ENDED DECEMBER 31, 2005**

	2005	2004
<b>RETAINED EARNINGS</b>		
BALANCE, BEGINNING OF YEAR	\$ 2,223,412	\$ 2,182,437
NET INCOME	<u>25,040</u>	<u>40,975</u>
BALANCE, END OF YEAR	<u>\$ 2,248,452</u>	<u>\$ 2,223,412</u>
<b>CONTRIBUTED CAPITAL</b>		
BALANCE, BEGINNING AND END OF YEAR	<u>\$ 553,783</u>	<u>\$ 553,783</u>



**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**BALANCE SHEET**

**DECEMBER 31, 2005**

	2005	2004
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 3,930,662	\$ 3,500,898
Unbilled revenue	1,233,530	1,016,825
Accounts receivable (note 3)	676,991	560,035
Income taxes recoverable	7,624	-
Inventory	102,177	112,925
Prepaid expenses	14,021	14,928
Future income taxes	22,800	-
	<u>5,987,805</u>	<u>5,205,611</u>
PRE-MARKET OPENING ENERGY VARIANCE	11,565	1,068
INVESTMENT (note 4)	32,585	33,256
PROPERTY AND EQUIPMENT (note 5)	1,050,562	1,090,723
OTHER ASSETS (note 6)	18,095	19,368
	<u>\$ 7,100,612</u>	<u>\$ 6,350,026</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges	\$ 2,436,475	\$ 1,656,294
Income taxes payable	-	8,025
Other regulatory liabilities	12,158	18,957
Due to Town of Hearst	96,054	133,227
Demand loan (note 8)	1,700,000	1,700,000
Customers deposits	43,690	46,328
	<u>4,288,377</u>	<u>3,562,831</u>
<b>SHAREHOLDER'S EQUITY</b>		
CAPITAL STOCK (note 9)	10,000	10,000
RETAINED EARNINGS	2,248,452	2,223,412
CONTRIBUTED CAPITAL	553,783	553,783
	<u>2,812,235</u>	<u>2,787,195</u>
	<u>\$ 7,100,612</u>	<u>\$ 6,350,026</u>

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**STATEMENT OF CASH FLOW**

**YEAR ENDED DECEMBER 31, 2005**

	<b>2005</b>	<b>2004</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 25,040	\$ 40,975
Items not requiring cash:		
Amortization	108,950	131,059
Future income taxes	(22,800)	-
	111,190	172,034
Changes in:		
Unbilled revenue	(216,705)	(106,642)
Accounts receivable	(116,956)	165,964
Income taxes recoverable/payable	(15,649)	39,525
Inventory	10,748	6,031
Prepaid expenses	907	(1,757)
Pre market opening energy variance	(10,497)	5,872
Accounts payable and accrued charges	780,181	189,634
Other regulatory liabilities	(6,799)	(5,872)
Due to Town of Hearst	(37,170)	17,478
Change in customers deposits	(2,638)	(11,049)
	496,612	471,218
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(67,519)	(46,287)
Disposal (purchase) of investment	671	(9,255)
	(66,848)	(55,542)
<b>INCREASE IN CASH POSITION</b>	429,764	415,676
<b>CASH POSITION, BEGINNING OF YEAR</b>	1,800,898	1,385,222
<b>CASH POSITION, END OF YEAR (note 10)</b>	\$ 2,230,662	\$ 1,800,898

# HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

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### 1. NATURE OF BUSINESS

The corporation, incorporated under the Ontario Business Corporations Act, owns all the electrical distribution system in the territory of the Corporation of the Town of Hearst and is responsible for the distribution of the electrical power on this territory.

#### RATE REGULATED ENTITY

The Ontario Energy Board (OEB) has regulatory oversight of electricity matters in the Province of Ontario. Among other duties, the Board has the authority to issue distribution licences along with conditions pertaining to accounting records and filing requirements for rate setting purposes.

All energy has to be purchased through Independent Electricity System Operations (IESO) in a weighted average basis whereas the price paid for the electricity is based on the market price adjusted for the peak periods of demand.

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### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by statutes. Except for the principle of disposal of property and equipment and the principles explained under the heading regulation, all principles employed are in accordance with Canadian generally accepted accounting principles.

#### REVENUE RECOGNITION

Revenue from the sale of electricity is recorded on a basis of cyclical billings and also includes unbilled revenue accrued in respect of electricity delivered but not yet billed.

#### INVENTORY

Inventory is valued at the lower of cost and net realizable value. Most of the inventory is used for own purposes and is eventually added to the property and equipment. Cost is determined on the average cost basis.



# HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### PROPERTY AND EQUIPMENT

Amortization of property and equipment is provided on a straight-line basis over the following periods:

Building and fixtures	50 years
Overhead lines and feeders	25 years
Underground lines and feeders	25 years
Transformers	25 years
Meters	25 years
Office equipment	10 years
Automotive equipment	5 years
Computer equipment	5 years
Other equipment	10 years

When property and equipment are disposed, the proceeds of disposition are recorded as a reduction to the appropriate property and equipment accounts. Consequently, gains and losses on disposals are brought into income over the depreciable lives of the remaining property and equipment.

#### AMORTIZATION OF ORGANIZATION COSTS

The organization costs are amortized on a straight line basis over 20 years.

#### CUSTOMERS DEPOSITS

Customers' advance deposits are cash collections from customers to mitigate the financial risk of non-payment of energy bills. Security deposits are refunded on customers account when a customer is deemed to have maintained a good payment history during the relevant time period set out in the customer security deposit policy.

#### INCOME TAXES

A municipal electric utility is exempt from tax under subsection 149 (1) of the Income Tax Act. Under the Electricity Act of 1998, municipal electric utilities have to make payments in lieu of taxes (PILS) to the province. These payments are generally equivalent to the income taxes that would be otherwise due if the municipal electric utility would have been taxable as a small business corporation under the Income Tax Act.



# HEARST POWER DISTRIBUTION COMPANY LIMITED/ CORPORATION DE DISTRIBUTION ELECTRIQUE DE HEARST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### FUTURE INCOME TAXES

Income taxes are provided, at current rates, for all items included in the statement of income regardless of the period in which such items are reported for income tax purposes. The principal item which results in timing differences between financial and tax reporting purposes is amortization. Future income taxes are adjusted for changes in income tax rates.

#### EMPLOYEE FUTURE BENEFITS

The company provides a pension plan for its employees through the Ontario Municipal Employees Retirement System (OMERS), a defined benefit plan established by the province. Both employers and employees are required to make contributions to the plan. The corporation's yearly contributions are expensed unless otherwise provided.

#### INVESTMENT

The investment in the buying group is recorded using the cost method. Yearly distributions from the investment are recorded as an increase in the assets and corresponding other income credit.

#### REGULATION

The entity has to follow regulatory accounting treatments that differ from Canadian generally accepted accounting policies for enterprises operating in non regulated environment.

Transition costs: certain costs to set up the company have been deferred in accordance with OEB guidelines. These costs have been increased for the prescribed OEB rate of return with an offsetting interest income credit.

Pre-market opening energy variance: this asset represents the utility's cost of power based on time-of-use rates and the amounts billed to non time-of-use customers. These costs have been increased for the prescribed OEB rate of return with an affecting interest income credit.

Other regulatory assets: OEB has allowed the deferral of their annual costs assessments. These costs will be subject to recovery starting in 2006 subject to OEB approval.

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2005**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

USE OF ESTIMATES

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

**3. ACCOUNTS RECEIVABLE**

	<b>2005</b>	<b>2004</b>
Electrical energy	\$ 247,106	\$ 377,257
Qualifying transition costs	101,686	75,418
Other regulatory assets	207,766	1,989
Others	123,126	108,225
	<u>679,684</u>	<u>562,889</u>
Allowance for doubtful accounts	2,693	2,854
	<u>\$ 676,991</u>	<u>\$ 560,035</u>

**4. INVESTMENT**

	<b>2005</b>	<b>2004</b>
Investment in Enerconnect Limited Partnership, a buying group for Municipal Electric Commissions		
Original cost	\$ 24,000	\$ 24,000
Share of limited partnership income	8,585	9,256
	<u>\$ 32,585</u>	<u>\$ 33,256</u>

The fair market value of the investment is not available.



**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2005**

**5. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2005 Net</b>	<b>2004 Net</b>
Land	\$ 7,600	\$ -	\$ 7,600	\$ 7,600
Building and fixtures	201,570	63,820	137,750	141,512
Underground lines and feeders	1,979,561	1,363,640	615,921	627,949
Transformers	523,507	421,394	102,113	101,711
Meters	323,252	230,663	92,589	102,714
Office equipment	42,163	21,106	21,057	15,137
Automotive equipment	441,136	441,136	-	5,886
Computer equipment	133,281	107,366	25,915	42,222
Other equipment	123,917	78,713	45,204	43,156
Land rights	4,232	1,819	2,413	2,836
	<b>\$ 3,780,219</b>	<b>\$ 2,729,657</b>	<b>\$ 1,050,562</b>	<b>\$ 1,090,723</b>

**6. OTHER ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2005 Net</b>	<b>2004 Net</b>
Organisation costs	\$ 25,471	\$ 7,376	\$ 18,095	\$ 19,368

**7. BANK INDEBTEDNESS**

The corporation has an approved line of credit of 300,000\$, at prime, secured by a general security agreement on all of the company's assets.

**8. DEMAND LOAN**

	<b>2005</b>	<b>2004</b>
The Corporation of the Town of Hearst, promissory note, interest at the lesser of 12 % or a part of the net income for the year, payable on a monthly basis, no fixed capital repayment	\$ 1,700,000	\$ 1,700,000

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2005**

**9. CAPITAL STOCK**

	<b>2005</b>	<b>2004</b>
<b>AUTHORIZED</b>		
Unlimited number of preference shares, dividends at the discretion of the directors, non voting		
Unlimited number of common shares		
<b>ISSUED</b>		
10,000 common shares	\$ 10,000	\$ 10,000

**10. STATEMENT OF CASH FLOW**

**CASH POSITION**

Cash position consists of cash on hand, balances with banks and the demand loan with the Town of Hearst and is comprised of the following balance sheet amounts:

	<b>2005</b>	<b>2004</b>
Cash	\$ 3,930,662	\$ 3,500,898
Demand loan	(1,700,000)	(1,700,000)
	<u>\$ 2,230,662</u>	<u>\$ 1,800,898</u>

**INTEREST AND INCOME TAXES**

Cash payments were made for the following items:

	<b>2005</b>	<b>2004</b>
Interest	\$ 60,531	\$ 5,757
Income taxes	18,025	2,000
	<u>\$ 78,556</u>	<u>\$ 7,757</u>

**HEARST POWER DISTRIBUTION COMPANY LIMITED/  
CORPORATION DE DISTRIBUTION  
ELECTRIQUE DE HEARST**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2005**

**11. RELATED PARTY TRANSACTIONS**

During the year, the company incurred the following related party transactions with its sole shareholder, the Corporation of the Town of Hearst.

	2005	2004
Service revenue	\$ 470,208	\$ 456,077
Rent expense	8,164	8,012
Clerical and answering services expense	24,002	23,259
Interest on demand loan	-	50,000

These transactions are in the normal courses of operations and are measured at the exchange amount which is received and paid on similar terms as those of unrelated parties.

**12. FINANCIAL INSTRUMENTS**

The company's financial instruments consists of cash, accounts receivable, temporary and long-term investments, demand loan, accounts payable and accrued changes, amounts due to related parties. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximated their carrying values, unless otherwise noted.