

Fort Frances Power Corporation
Financial Statements
For the year ended December 31, 2004

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Driving growth

BDO Dunwoody LLP
Chartered Accountants
and Advisors

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Auditors' Report

To the Shareholders of Fort Frances Power Corporation

We have audited the balance sheet of the Fort Frances Power Corporation as at December 31, 2004, and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2004, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Fort Frances, Ontario
March 4, 2005

Fort Frances Power Corporation

Balance Sheet

December 31	2004	2003
Assets		
Current		
Cash	\$ 1,369,155	\$ 1,141,480
Investments (Note 2)	1,161,350	1,123,810
Accounts receivable (Note 3)	464,416	444,832
Unbilled revenue	714,759	576,864
Inventory	159,957	167,666
Prepaid expense	22,610	26,425
	<u>3,892,247</u>	<u>3,481,077</u>
Capital assets (Note 4)	3,389,922	3,567,772
Other assets (Note 5)	48,771	48,771
Future income tax assets (Note 8)	108,522	90,758
	<u>\$ 7,439,462</u>	<u>\$ 7,188,378</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 1,266,417	\$ 1,240,526
Customer deposits	78,375	70,922
Sick benefits payable	127,113	124,559
Income taxes payable	12,760	9,596
	<u>1,484,665</u>	<u>1,445,603</u>
Regulatory liabilities	241,300	-
	<u>1,725,965</u>	<u>1,445,603</u>
Shareholders' equity		
Share capital (Note 7)	5,807,391	5,807,391
Deficit	(93,894)	(64,616)
	<u>5,713,497</u>	<u>5,742,775</u>
	<u>\$ 7,439,462</u>	<u>\$ 7,188,378</u>

On behalf of the Board:

_____ Director

_____ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Fort Frances Power Corporation

Statement of Operations and Deficit

For the year ended December 31	2004	2003
Service revenue		
Residential	\$ 2,488,169	\$ 2,690,090
General	2,593,302	2,456,718
Street lighting	66,821	86,973
Reconnection charges	4,748	5,001
	<u>5,153,040</u>	<u>5,238,782</u>
Cost of power		
Power purchased	<u>3,982,613</u>	<u>4,120,211</u>
Gross margin on service revenue	1,170,427	1,118,571
Other operating revenue (Note 9)	129,026	128,085
Provincial rebate revenue	<u>50,709</u>	<u>1,432,292</u>
	<u>1,350,162</u>	<u>2,678,948</u>
Operating and maintenance expense		
High voltage transformation distribution	255,915	220,829
Billing and collection	216,868	162,046
General and administrative expense	530,385	623,254
Amortization	317,616	322,062
Interest	4,551	247
Provincial rebate paid	<u>50,709</u>	<u>1,432,292</u>
	<u>1,376,044</u>	<u>2,760,730</u>
Net loss before the following	<u>(25,882)</u>	<u>(81,782)</u>
Gain on disposal of assets	<u>-</u>	<u>1,675</u>
Income taxes		
Current expense	21,160	63,605
Future (recovery) expense	<u>(17,764)</u>	<u>(90,758)</u>
	<u>3,396</u>	<u>(27,153)</u>
Net loss for the year	(29,278)	(52,954)
Deficit, beginning of year	<u>(64,616)</u>	<u>(11,662)</u>
Deficit, end of year	<u>\$ (93,894)</u>	<u>\$ (64,616)</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Fort Frances Power Corporation Statement of Cash Flows

For the year ended December 31	2004	2003
Cash provided by (used in)		
Operating activities		
Net loss for the year	\$ (29,278)	\$ (52,954)
Items not involving cash		
Amortization	317,616	322,062
Gain on disposal of capital asset	-	1,675
Future income taxes (recovery)	(17,764)	(90,758)
	<u>270,574</u>	<u>180,025</u>
Changes in non-cash working capital balances		
Accounts receivable	(19,583)	308,317
Unbilled revenue	(137,895)	106,163
Inventory	7,709	1,532
Prepaid	3,813	(12,851)
Accounts payable	25,891	254,960
Sick benefits	2,555	(342)
Current income taxes	3,164	9,596
Regulatory liabilities	241,300	-
	<u>397,528</u>	<u>847,400</u>
Investing activities		
Net increase in capital assets	(139,766)	(78,300)
Increase in investments	(37,540)	(42,425)
	<u>(177,306)</u>	<u>(120,725)</u>
Financing activities		
Increase in customer deposits held	7,453	31,974
Increase in cash during the year	<u>227,675</u>	<u>758,649</u>
Cash, beginning of year	<u>1,141,480</u>	<u>382,831</u>
Cash, end of year	<u>\$ 1,369,155</u>	<u>\$ 1,141,480</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Fort Frances Power Corporation Summary of Significant Accounting Policies

December 31, 2004

Nature of Business

On June 19, 2000, Fort Frances Power Corporation was incorporated under the Business Corporation Act (Ontario), under the laws of Ontario, created for the purpose of continuing electricity distribution activities. The incorporation was required in accordance with the *Energy Competition Act, 1998*, in the Province of Ontario.

Pursuant to this legislation, under the terms of By-law No. 55/00 of the Town of Fort Frances ("Transfer By-law"), enacted on November 6, 2000, the Town of Fort Frances transferred all employees, assets, liabilities, rights and obligations of the former Fort Frances Public Utilities Commission, in consideration for the issuance of equity securities of the Fort Frances Power Corporation.

The Corporation is engaged in the distribution of retail electricity to customers located in the Town of Fort Frances.

Regulation

The *Energy Competition Act, 1998*, was given Royal Assent on October 30, 1998, which provided for a competitive market in the generation and sale of electricity and the regulation of the monopoly electricity delivery system in the Province of Ontario (the "Province").

On May 1, 2002, the government of Ontario opened Ontario's wholesale and retail markets to competition by providing generators, retailers and consumers with open access to Ontario's transmission and distribution network ("Open Access").

Since the commencement of Open Access, electricity distributors have been purchasing their electricity requirements from the wholesale market administered by the Independent Electricity System Operator (the "IESO") and recovering the cost of electricity and certain other costs at a later date in accordance with procedures mandated by the Ontario Energy Board (the "OEB").

The OEB has regulatory oversight of electricity matters in the Province. The *Ontario Energy Board Act, 1998*, sets out the OEB's authority to issue a distribution licence which must be obtained by owners or operators of a distribution system in Ontario. The OEB prescribes licence requirements and conditions including, among other things, specified accounting records, regulatory accounting principles, separation of accounts for separate businesses and filing/process requirements for rate-setting purposes.

The OEB's authority and responsibilities include the power to approve and fix rates for the transmission and distribution of electricity, to provide continued rate protection for rural and remote electricity customers and the responsibility for ensuring that electricity distribution companies (the "LDC") fulfill obligations to connect and service customers.

Fort Frances Power Corporation Summary of Significant Accounting Policies

December 31, 2004

The LDC is required to charge its customers for the following amounts (all of which, other than the distribution rate, represent "a pass through" of amounts payable to third parties):

- (a) *Electricity Price.* The electricity price represents of the commodity cost of electricity.
- (b) *Distribution Rate.* The distribution rate is designed to recover the costs incurred by the LDC in delivering electricity to customers. Distribution rates are regulated by the OEB.
- (c) *Retail Transmission Rate.* The retail transmission rate represents the wholesale costs incurred in the transmission of electricity from generating stations to local areas. Retail transmission rates are regulated by the OEB.
- (d) *Wholesale Market Service Charge.* The wholesale market service charge of various wholesale market support costs. Wholesale market service charges are regulated by the OEB.

Market participants (including distributors and retailers) are required to satisfy and maintain prudential requirements with the IESO, which include credit support with respect to outstanding market obligations.

Price Protection and Rate Caps

In December 2002, the Province passed Bill 210 which, among other things:

- (a) fixed the price of electricity payable by consumers of electricity who annually utilize less than 250,000 kWh ("Low Volume Consumers") and consumers comprised principally of municipalities, universities, schools and hospitals, consumers with a demand of 50 kW or less and multi-unit residential buildings ("Designated Consumers") retroactive to May 1, 2002;
- (b) capped the LDC distribution rates at current levels and deferred rate increases and certain cost recoveries by electricity distributors; and
- (c) deemed certain costs and variance account balances of distributors to be "regulatory assets" which are required to be reflected in a distributor's balance sheet until the manner and timing of disposition was determined by the OEB.

In November 2003, the Province:

- (a) announced its intention to increase the price of electricity payable by Low Volume Consumers and Designated Consumers effective April 1, 2004;

Fort Frances Power Corporation Summary of Significant Accounting Policies

December 31, 2004

- (b) directed the OEB to develop new pricing mechanisms for setting the price of electricity payable by Low Volume Consumers and Designated Consumers (to take effect no later than May 1, 2005); and
- (c) announced initiatives with respect to the recovery of regulatory assets and the third distribution rate adjustment to achieve a market-based rate of return.

During the period that the price protection is in effect, it is expected that electricity distributors will be compensated by the Ontario Electricity Financial Corporation for amounts by which the purchase price of the electricity purchased by them in the IESO-administered wholesale market on behalf of Low Volume Consumers and Designated Consumers is greater than the fixed price per kWh charged to customers.

Market-based Rate of Return

Before the introduction of rate caps in December 2002, the OEB had authorized electricity distributors to adjust their distribution rates to incorporate a market-based rate of return.

Since the introduction of market based rate of return for Ontario distribution companies, the Fort Frances Power Corporation has elected to take a 0.0% rate of return on common equity for the Corporation and has operated under the rate minimization model. This is mainly due to the historical agreement with the local paper mill, which has always been a defining characteristic of the utility. As such, the Fort Frances Power Corporation has not applied for any distribution rate increases required to fund a financial rate of return and the utility essentially operates under a breakeven scenario.

Regulatory Assets

Under Bill 210, electricity distributors are required to reflect certain prescribed costs on their balance sheets, until the manner and timing of disposition is determined by the OEB. These costs include:

- (a) transition costs resulting from the ramp-up to Open Access;
- (b) variances between amounts charged to the LDC customers (based on regulated rates) and the corresponding cost of non-competitive electricity service incurred by it in the wholesale market administered by the IESO.

In November 2003, the OEB announced its intention to permit electricity distributors to make rate applications to the OEB with respect to the recovery of regulatory assets. The recoveries are being phased in over a three-year period which commenced in March 2004.

Fort Frances Power Corporation Summary of Significant Accounting Policies

December 31, 2004

Electricity Sector Reorganization

In December 2004, the Province initiated a further restructuring of Ontario's electricity industry with the passage of the *Electricity Restructuring Act, 2004*. The restructuring was intended, among other things, to ensure efficient and effective management of electricity, promote the expansion of new electricity supply and capacity, encourage electricity conservation and renewable energy and regulate prices in parts of the electricity sector.

Under the *Electricity Restructuring Act, 2004*, the commodity cost of electricity for certain customer classes will be reviewed by the OEB on a semi-annual basis based on a combination of regulated, contract and competitive market prices for electricity. Customers that do not wish to or are not eligible to participate in the regulated plan may purchase electricity in the competitive market or through licensed retailers.

The continuing restructuring of Ontario's electricity industry and other regulatory developments, including current and possible future consultations between the OEB and interested stakeholders, may affect the distribution rates, that LDC may recover, including the balance of its regulatory assets.

Financial Instruments The Corporation's financial instruments consist of cash, accounts receivable, unbilled revenue, accounts payable and customer deposits. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Inventory Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on a first-in, first-out basis.

Capital Assets Capital assets are recorded at cost. Amortization based on the estimated useful life of the asset is as follows:

Buildings	- 3% straight line basis
Transmission and distribution equipment	- various straight line basis
Other equipment	- 10% straight line basis
Computer equipment and software	- 20 and 100% straight line basis
Automotive equipment	- various straight line basis
Office equipment	- 10% straight line basis
Leasehold improvements	- 20% straight line basis

Fort Frances Power Corporation Summary of Significant Accounting Policies

December 31, 2004

Other Assets	Other assets are recorded at cost. Other assets are to be recovered through future rate charges and therefore amortization of these assets ceased when the recoveries were approved by the OEB.
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments and bond funds with maturities of three months or less.
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.
Customer Deposits	Customer deposits are cash collections from customers to guarantee the payment of energy bills. Deposits expected to be refunded within the next fiscal year are classified as a current liability.
Use of Estimates	The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and their reported amounts of revenue and expenses for the year. Actual results could differ from those estimates, including changes as a result of future decisions made by the OEB, the Minister of Energy or the Minister of Finance.
Future Income Taxes	Commencing January 1, 2003, the Corporation adopted the liability method of accounting for income taxes as outlined in the provisions of Section 3465 of the Handbook of the Canadian Institute of Chartered Accountants. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized.
Payments in Lieu of Taxes	<p>The Corporation is currently exempt from taxes under the Income Tax Act and the Ontario Corporations Tax Act.</p> <p>The Corporation is required to compute taxes under the Income Tax Act and Ontario Corporations Tax Act and remit such amounts thereunder to the Ontario Electricity Financial Corporation. These amounts referred to as Payments in Lieu of Taxes under the Energy Competition Act, are applied to reduce certain debt obligations of the former Ontario Hydro.</p>

Fort Frances Power Corporation Notes to Financial Statements

December 31, 2004

1. Change in Accounting Policies

In 2003, the Corporation changed its' policy for accounting for income taxes and the provisions of Section 3465 of the Handbook of the Canadian Institute of Chartered Accountants were adopted effective January 1, 2003. The provisions were applied retroactively without restatement of prior period financial statements.

2. Investments

Investments are recorded at the lower of cost or market value and are made up as follows:

	2004	2003
Money market and bond mutual funds	<u>\$ 1,161,350</u>	<u>\$ 1,123,810</u>

Fair market value at December 31, 2004, is \$1,166,691 (2003 - \$1,123,810).

3. Accounts Receivable

	2004	2003
Electrical energy	\$ 348,339	\$ 290,664
Own municipality	443	43,698
Sundry	<u>115,634</u>	<u>110,470</u>
	<u>\$ 464,416</u>	<u>\$ 444,832</u>

Fort Frances Power Corporation Notes to Financial Statements

December 31, 2004

4. Capital Assets

	2004		2003	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 100,000	\$ -	\$ 100,000	\$ 100,000
Buildings	1,068,548	899,082	169,466	178,752
Transmission and distribution equipment	7,105,461	4,099,512	3,005,949	3,158,570
Other equipment	100,680	86,554	14,126	17,351
Automotive equipment	517,934	443,831	74,103	95,525
Computer equipment and software	53,821	44,368	9,453	7,141
Office equipment	85,373	73,525	11,848	10,433
Leasehold improvements	6,221	1,244	4,977	-
	<u>\$ 9,038,038</u>	<u>\$ 5,648,116</u>	<u>\$ 3,389,922</u>	<u>\$ 3,567,772</u>

5. Other Assets

	2004	2003
Organization costs	\$ 62,010	\$ 62,010
Accumulated amortization	<u>13,239</u>	<u>13,239</u>
	<u>\$ 48,771</u>	<u>\$ 48,771</u>

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities includes an accrual in the amount of \$656,335 - 2004 (\$369,423 - 2003). This represents the identified surplus for the year ending December 31, 2004, as a result of the power agreement. This surplus is to be dispensed to the ratepayers in the form of a credit rebate subsequent to year end.

7. Share Capital

The authorized share capital of the Corporation is an unlimited number of common shares.

Issued share capital is as follows:

	2004	2003
5,807,391 Common shares	<u>\$ 5,807,391</u>	<u>\$ 5,807,391</u>

Fort Frances Power Corporation

Notes to Financial Statements

December 31, 2004

8. Future Income Tax Assets

The components of the future income tax assets at December 31 are as follows:

	2004	2003
Capital assets	\$ 108,522	\$ 90,758

9. Other Operating Revenue

	2004	2003
Interest earned	\$ 59,229	\$ 67,777
Late payment charges	15,162	19,147
Pole rentals	35,688	15,575
Miscellaneous revenue	18,947	25,586
	<u>\$ 129,026</u>	<u>\$ 128,085</u>

10. Contingency

A class actions claiming \$500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electrical utilities in Ontario which have charged late payment charges on overdue bills at any time after April 1, 1981.

The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under section 347(1)(b) of the Criminal Code.

The Municipal Electric Association is undertaking the defence of this action. Fort Frances Power Corporation assumed all of the liabilities of the former utilities on transfer of electrical distribution assets referred to in the significant accounting policy in the Nature of Business. At this time it is not possible to quantify the effect, if any, on the financial statements of Fort Frances Power Corporation.

11. Change in Estimate

During the year management undertook an evaluation of the regulatory assets and liabilities existing at year end. Based on this exercise the regulatory assets and liabilities were adjusted to reflect revised figures. These adjustments were considered a change in estimate for accounting purposes and as such were recorded on a prospective basis during the year. The prior years figures have not been adjusted to reflect these changes, and the balances recorded at year end include the cumulative estimates of all regulatory assets and liabilities to the year end December 31, 2004.

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

Commission de l'Énergie
de l'Ontario
C.P. 2319
2300, rue Yonge
26e étage
Toronto ON M4P 1E4
Téléphone: (416) 481-1967
Télécopieur: (416) 440-7656



March 16, 2004

Mark McCaig
President & CEO
Fort Frances Power Corporation
320 Portage Avenue
Fort Frances ON
P9A 3P9

Dear Mr. McCaig:

**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 black ink, appearing to read "P. O'Dell", written over a horizontal line.

Peter H. O'Dell
Assistant Secretary

cc. Intervenors of record



RP-2004-0047
EB-2004-0033

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 Fort Frances
Power Corporation for an order or orders approving or fixing
just and reasonable rates.

BEFORE: Bob Betts
Presiding Member

Paul Vlahos
Member

DECISION AND ORDER

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

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

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

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

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

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

THE BOARD ORDERS THAT:

- 1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.
- 2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, March 16, 2004

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', with a long horizontal line extending from the end of the signature.

Peter H. O'Dell
Assistant Secretary

Interim Rates
Fort Frances Power Corporation
Schedule of Changed Distribution Rates and Charges

Effective Date: March 1, 2004
Implementation Date: April 1, 2004

RP-2004-0047
EB-2004-0033

RESIDENTIAL

Monthly Service Charge	(per month)	\$9.88
Distribution Volumetric Rate	(per kWh)	\$0.0068

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$23.43
Distribution Volumetric Rate	(per kWh)	\$0.0049

GENERAL SERVICE > 50 KW

Monthly Service Charge	(per month)	\$192.19
Distribution Volumetric Rate	(per kW)	\$2.8963

STREET LIGHTING

Monthly Service Charge	(per connection)	\$0.96
Distribution Volumetric Rate	(per kW)	\$2.3296



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

Remittance Advice - Payment-in-Lieu (PIL)
Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No
1800090

35 A
PX5000

FORT FRANCES POWER CORPORATION
MARK MCCAIG, PRES & CEO
320 PORTAGE AVE

FORT FRANCES
P9A 3P9

ON

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Total Payment Enclosed: \$



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

Keep this portion for your records.

Statement of Account

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
for transactions up to and including 2004/07/09

	Account No.	Statement Date (year, month, day)	Page
FORT FRANCES POWER CORPORATION	1800090	2004/07/09	1 of 1

TRANSACTIONS BY ASSESSED TAXATION YEAR

TRANSACTIONS BY UNASSESSED TAXATION YEAR

EFFECTIVE DATE	ID NUMBER	DESCRIPTION	AMOUNT	BALANCE
2004/01/10		OPENING BALANCE FOR: 2003/12/31	0.00	
2004/06/07	11	PIL payment	9,836.00CR ✓	
		BALANCE	9,836.00CR	
2004/01/10		OPENING BALANCE FOR: 2004/12/31	0.00	
		BALANCE	0.00	

The 2001 Ontario Budget simplified instalment requirements for corporations with total tax payable in the current or preceding year of \$2,000 or more and less than \$10,000. For tax years commencing after 2001, these corporations may now pay quarterly instalments.

Tax (Re)Assessment Enquiries:

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

Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext 3036
- Toronto (416) 920-9048 ext 3036
- FAX (905) 433-5197



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

Remittance Advice - Payment-in-Lieu (PIL)
Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No
1800090

35 A
PX5000

FORT FRANCES POWER CORPORATION
MARK MCCAIG, PRES & CEO
320 PORTAGE AVE

FORT FRANCES
P9A 3P9

ON

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Total Payment
Enclosed: \$



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

Keep this portion for your records.

Statement of Account

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
for transactions up to and including 2004/09/07

FORT FRANCES POWER CORPORATION

Account No.

1800090

Statement Date
(year, month, day)
2004/09/07

Page

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TRANSACTIONS BY ASSESSED TAXATION YEAR

EFFECTIVE DATE	ID NUMBER	DESCRIPTION	AMOUNT	BALANCE
2004/08/07		OPENING BALANCE FOR: 2003/12/31	671.68	
2004/09/07	16	interest *	4.13	<u>675.81</u>
BALANCE DUE **				<u>675.81</u>

TRANSACTIONS BY UNASSESSED TAXATION YEAR

2004/08/07	OPENING BALANCE FOR: 2004/12/31	<u>3,400.00CR</u>
BALANCE		<u>3,400.00CR</u>

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC). The current interest rate is 0.0191780%.

The 2001 Ontario Budget simplified instalment requirements for corporations with total tax payable in the current or preceding year of \$2,000 or more and less than \$10,000. For tax years commencing after 2001, these corporations may now pay quarterly instalments.

Paid \$671.55 Aug 27/04

Tax (Re)Assessment Enquiries:

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

Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197



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

Remittance Advice - Payment-in-Lieu (PIL)
Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No
1800090

35 A
PX5000

FORT FRANCES POWER CORPORATION
MARK MCCAIG, PRES & CEO
320 PORTAGE AVE

FORT FRANCES ON
P9A 3P9

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Total Payment
Enclosed: \$



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

Keep this portion for your records.

Statement of Account

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
for transactions up to and including 2004/10/08

FORT FRANCES POWER CORPORATION

Account No.

1800090

Statement Date
(year, month, day)

2004/10/08

Page

1 of 1

TRANSACTIONS BY ASSESSED TAXATION YEAR

EFFECTIVE DATE	ID NUMBER	DESCRIPTION	AMOUNT	BALANCE
2004/09/08	OPENING	BALANCE FOR: 2003/12/31	675.81	
2004/09/08	17	PIL payment	671.55CR	
2004/10/08	18	interest *	0.16	
2004/10/08	19	small balance adjustment	4.42CR	0.00
		BALANCE		0.00

TRANSACTIONS BY UNASSESSED TAXATION YEAR

2004/09/08	OPENING	BALANCE FOR: 2004/12/31	3,400.00CR
		BALANCE	3,400.00CR

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

Account No
1800090

35 A
PX5000

FORT FRANCES POWER CORPORATION
MARK MCCAIG, PRES & CEO
320 PORTAGE AVE

FORT FRANCES
P9A 3P9

ON

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

Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Taxation Year End: (YYYYMMDD)

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Payment Amount: \$

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Total Payment
Enclosed: \$

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

Keep this portion for your records.

Statement of Account

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
for transactions up to and including 2004/11/05

	Account No.	Statement Date (year, month, day)	Page
FORT FRANCES POWER CORPORATION	1800090	2004/11/05	1 of 1

TRANSACTIONS BY ASSESSED TAXATION YEAR

TRANSACTIONS BY UNASSESSED TAXATION YEAR

EFFECTIVE DATE	ID NUMBER	DESCRIPTION	AMOUNT	BALANCE
2004/10/09		OPENING BALANCE FOR: 2004/12/31	3,400.00CR	
2004/10/18	20	PIL payment	5,000.00CR	
		BALANCE	8,400.00CR	

The 2001 Ontario Budget simplified instalment requirements for corporations with total tax payable in the current or preceding year of \$2,000 or more and less than \$10,000. For tax years commencing after 2001, these corporations may now pay quarterly instalments.

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

Account No
1800090

35
PX5003

FORT FRANCES POWER CORPORATION
C/O MARK MCCAIG
320 PORTAGE AVE

FORT FRANCES
P9A 3P9

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

FKS,
10/3/12/10

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount:

Total Payment Enclosed:

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

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R S O 1990
from 2004/01/01 to 2004/12/31

FORT FRANCES POWER CORPORATION

ASSESSMENT NO. 25

Account No.	Assessment Date (year, month, day)	Page
1800090	2005/08/29	1 of 1

**Tax: Federal and Provincial PII
Assessment Interest**

Total Assessment Liability

$$\begin{array}{r} 20,518.00 \\ 326.73 \\ \hline 20,844.73 \end{array}$$

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

23,449.00CR

Sub-Total

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

23,449.00CR
2,604.27CR

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

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Net Income Tax

Mathematical error in the computation of Net CMT payable.

Government Assistance added to Taxable Income

Apprenticeship Training Tax Credit (ATTC) adjusted

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