_								
	A	В	С	D	Е	F	G	Н
1		ITEM	Initial	Ħ	M of F	M of F	Tax	
	PILS DEFERRAL AND VARIANCE ACCOUNTS Utility Name: Lakefront Utilities Inc.		Estimate	H	Filing Variance	Filing Variance	Returns	_
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	\equiv
7	Utility Name: Lakefront Utilities Inc. Reporting period: 2003							_
8							Column	
9	Days in reporting period: Total days in the calendar year:	365 365	days days				Brought From	_
11	Total days in the calendar year.	000	days				TAXREC	
12			\$		\$		\$	<u> </u>
13	I) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	1,026,657		1,097,340		2,123,997	-
18	BOOK TO TAX ADJUSTMENTS							
19					10 = 11			
20	Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid	3	734,456		-48,714 0		685,742	_
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	- 4 - 5	63,055		-63,055		0	
25	Other Additions (See Tab entitled "TAXREC")		03,035		-03,035			
26	"Material" Items from "TAXREC" worksheet	6			0		0	Ē
27 28	Other Additions (not "Material") "TAXREC" "Material Items from "TAXREC 2" worksheet	6		H	0		0	_
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	Ξ
30	Items on which true-up does not apply "TAXREC 3"			Ш	0		0	-
31	Deductions: Input positive numbers			H				_
33	Capital Cost Allowance and CEC	7	466,068		18,820		484,888	Ξ
	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8 9		\vdash	0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	434,516		137,199		571,715	$\overline{}$
38		4		H	0		0	_
4(Contributions to deferred income plans	3			0		0	_
	Contributions to pension plans Interest capitalized for accounting but deducted for tax	3 11		H	0		0	_
43	Other Deductions (See Tab entitled "TAXREC")							
44 45		12 12			0		0	-
40	Other Deductions (not "Material") "TAXREC" Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48 49	Items on which true-up does not apply "TAXREC 3"				22,243		22,243	_
48 50	TAXABLE INCOME/ (LOSS)		923,584		807,309		1,730,893	_
51	DI ENDED INCOME TAY DATE							\equiv
52 53	BLENDED INCOME TAX RATE Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.9830%		35.64%	_
54								
56 56	REGULATORY INCOME TAX		356,688		49,934	Actual	406,622	_
57								
58 59	Miscellaneous Tax Credits	14			0	Actual	0	_
o:	Total Regulatory Income Tax		356,688	H	49,934	Actual	406,622	_
61	•		, , , , , , , , , , , , , , , , ,		.,		,	
62				-				
61	II) CAPITAL TAXES							
64	II) CAPITAL TAXES							
64 65	Ontario	15	13 000 000		4 574 070		12.442.020	
65 66 67	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	15 16	13,988,892 5,000,000		-1,574,972 0		12,413,920 5,000,000	
66 67 68	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital				-1,574,972 0 -1,574,972			
62 65 67 68	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital		5,000,000 8,988,892		-1,574,972		5,000,000 7,413,920	
64 65 66 68 70 71	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000 8,988,892 0.3000%		0 -1,574,972 0.0000%		5,000,000 7,413,920 0.3000%	
64 65 66 68 70 71	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	5,000,000 8,988,892		-1,574,972		5,000,000 7,413,920	
64 65 66 67 70 71 72 73	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax	16	5,000,000 8,988,892 0.3000% 26,967		0 -1,574,972 0.0000% -4,725		5,000,000 7,413,920 0.3000% 22,242	
64 65 66 67 71 72 73 74 75	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base	16	5,000,000 8,988,892 0.3000% 26,967		0 -1,574,972 0.0000%		5,000,000 7,413,920 0.3000% 22,242 11,438,289	
64 65 66 68 70 71 72 73 74 75	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000 8,988,892 0.3000% 26,967		0 -1,574,972 0.0000% -4,725		5,000,000 7,413,920 0.3000% 22,242	
64 65 66 67 70 71 72 73 74 75 76 77	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16 17 18 19	5,000,000 8,988,892 0.3000% 26,967 13,988,892 10,000,000 3,988,892		-1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603		5,000,000 7,413,920 0.3000% 22,242 11,438,289 10,000,000 1,438,289	
64 65 66 67 70 71 72 73 74 75 76 77	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital	16	5,000,000 8,988,892 0.3000% 26,967 13,988,892 10,000,000		0.0000% 0.0000% -4,725 -2,550,603 0		5,000,000 7,413,920 0.3000% 22,242 11,438,289 10,000,000	
64 65 66 67 70 71 72 73 74 75 76 77 80 81	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	16 17 18 19 20	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250%		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0.0000%		5,000,000 7,413,920 0.3000% 22,242 11,438,289 10,000,000 1,438,289 0.2250%	
64 65 66 67 77 77 78 78 78 78 78 80 81 82	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	16 17 18 19	5,000,000 8,988,892 0.3000% 26,967 13,988,892 10,000,000 3,988,892 0.2250%		0 0 1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0.0000%		5,000,000 7,413,920 0.3000% 22,242 11,438,289 10,000,000 1,438,289 0.2250%	
64 65 66 67 71 72 73 74 75 76 78 81 82 83	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	16 17 18 19 20	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250%		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0.0000%		5,000,000 7,413,920 0.3000% 22,242 11,438,289 10,000,000 1,438,289 0.2250%	
64 68 68 68 68 70 71 72 73 74 75 78 80 81 82 83	Dontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT	16 17 18 19 20	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250% 8,975 10,344		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0 .0000% -5,739 2,435		5,000,000 7,413,920 0.3000% 22,242 11,438,289 10,000,000 1,438,289 0.2250% 3,236 12,779	
64 65 66 67 71 72 73 74 75 76 77 80 81 82 83 84 85 86	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	16 17 18 19 20	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250% 8,975 10,344		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0 .0000% -5,739 2,435		5,000,000 7,413,920 0.3000% 22,242 11,438,289 10,000,000 1,438,289 0.2250% 3,236 12,779	
64 65 66 66 66 70 71 72 73 74 75 76 77 78 80 81 82 83 84 85 86 87 88	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES	16 17 18 19 20	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250% 8,975 10,344		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0 .0000% -5,739 2,435		5,000,000 7,413,920 0.3000% 22,242 11,438,289 10,000,000 1,438,289 0.2250% 3,236 12,779	
64 68 68 68 68 70 71 72 73 74 75 78 80 81 82 83 88 88 88 88 88 88	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax)	16 17 18 19 20 21	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250% 10,344 0 38,62%		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0 .0000% -5,739 2,435	Actual 2003	5,000,000 7,413,920 0,3000% 22,242 11,438,289 10,000,000 1,438,289 0,2250% 3,236 12,779 0	
64 65 66 66 67 71 72 73 74 75 76 77 78 80 81 82 83 84 85 86 87 90 91	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	16 17 18 19 20 21 21	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250% 8,975 10,344 0 38,62% 581,114		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0 .0000% -5,739 2,435	Actual 2003 Actual 2003	5,000,000 7,413,920 0,3000% 22,242 11,438,289 10,000,000 1,438,289 0,2250% 3,236 12,779 0	
64 65 66 67 70 71 72 73 74 75 76 77 78 80 81 82 83 84 85 86 87 90 91 92 92 92 92 92 92 92 92 92 92 92 92 92	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up)	16 17 18 19 20 21	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250% 10,344 0 38,62%		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0 .0000% -5,739 2,435		5,000,000 7,413,920 0,3000% 22,242 11,438,289 10,000,000 1,438,289 0,2250% 3,236 12,779 0	
64 65 66 67 71 72 73 74 75 77 78 80 81 82 83 84 85 86 87 91 92 92 94	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	16 17 18 19 20 21 21	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250% 8,975 10,344 0 38,62% 581,114		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0 .0000% -5,739 2,435	Actual 2003	5,000,000 7,413,920 0,3000% 22,242 11,438,289 10,000,000 1,438,289 0,2250% 3,236 12,779 0	
66566666666666666666666666666666666666	Ditario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) CCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible) Total PILs for Rate Adjustment MUST AGREE WITH 2002	16 17 18 19 20 21 21	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250% 8,975 10,344 0 38,62% 581,114		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0 .0000% -5,739 2,435	Actual 2003	5,000,000 7,413,920 0,3000% 22,242 11,438,289 10,000,000 1,438,289 0,2250% 3,236 12,779 0	
64 65 66 67 71 72 73 74 75 76 77 78 80 81 82 83 84 85 86 87 90 91 92 92 93	Ontario Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Ontario Capital Tax Federal Large Corporations Tax Base Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT III) INCLUSION IN RATES Income Tax Rate used for gross- up (exclude surtax) Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible)	16 17 18 19 20 21 21 22 23 24	5,000,000 8,988,892 0,3000% 26,967 13,988,892 10,000,000 3,988,892 0,2250% 8,975 10,344 0 38,62% 581,114 26,967		0 -1,574,972 0.0000% -4,725 -2,550,603 0 -2,550,603 0 .0000% -5,739 2,435	Actual 2003 Actual 2003	5,000,000 7,413,920 0,3000% 22,242 11,438,289 10,000,000 1,438,289 0,2250% 3,236 12,779 0 406,622 0 22,242	

	A	В	С	_	-			
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	PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate	$\vdash \exists$	M of F Filing	M of F Filing	Tax Returns	
4	Utility Name: Lakefront Utilities Inc.				Variance K-C	Variance Explanation		
5	0				K-C	Explanation	Version 2009.	
7	Utility Name: Lakefront Utilities Inc. Reporting period: 2003							
® 9	Days in reporting period:	365	days				Column Brought	
10 11	Total days in the calendar year:	365	days				From	
12			\$		\$		TAXREC \$	
13 98								-
99	IV) FUTURE TRUE-UPS IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:							
103	Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year	3 4			0			
104		<u>4</u> 5			-63,055			
106		6			0			
108	In Deductions - positive numbers							
	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8 9			0			
	Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I206)	10 11			43,560			-
113		4			0			1
115	Contributions to deferred income plans	3			0			
	Contributions to pension plans Other deductions "Material" Items TAXREC	3 12			0			L
118	Other deductions "Material" Item TAXREC 2	12	-		0			
120	Total TRUE-UPS before tax effect	26		=	-106,615			
121 122	Income Tax Rate			х	36.62%			
123 124	Income Tax Effect on True-up adjustments			<u> </u>	-39,042			
125 126	Less: Miscellaneous Tax Credits	14			0			
127		1-7			00.042			
128	·				-39,042			
130	Income Tax Rate used for gross-up (exclude surtax)				35.50%			
132 133	TRUE-UP VARIANCE ADJUSTMENT				(60,531)			
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the							
136	initial estimate column)			=	923,584			-
138	REVISED CORPORATE INCOME TAX RATE			х	36.62%			
140	REVISED REGULATORY INCOME TAX			=	338,216			
141 142	Less: Revised Miscellaneous Tax Credits			-	0			
143	Total Revised Regulatory Income Tax			=	338,216			-
145	Less: Regulatory Income Tax reported in the Initial Estimate Column							
146				-	356,688			
148	Regulatory Income Tax Variance			=	(18,472)			
149 150	Ontario Capital Tax							
151 152	Base Less: Exemption from tab Tax Rates, Table 2, cell C39	_	-	=	13,988,892 5,000,000			
153				=	8,988,892			
155	Rate - Tab Tax Rates cell C36			х	0.3000%			
156 157	Revised Ontario Capital Tax			=	26,967			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)	_		₋	26,967			
159				=	0			
	Federal LCT				13,988,892			1
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164 165	Revised Federal LCT			=	3,988,892			L
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C37		-		0.2250%			
168					8,975			
169 170				=	10,344			
171 172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			L
173 174	Regulatory Federal LCT Variance		-	=	0			
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.50%			
	Income Tax (grossed-up)			+	(28,638)			
178 179				+	0			1
180	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	(28,638)			
182	TRUE-UP VARIANCE (from cell I132)			+	(60,531)			
183 184				-				
183	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)			=	(89,169)			L

	A	В	С	D	Е	F	G	Н
1		ITEM	Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	Utility Name: Lakefront Utilities Inc.				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0						Version 2009.1	
6	Utility Name: Lakefront Utilities Inc.							
7	Reporting period: 2003							
8							Column	
9	Days in reporting period:	365	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13						·		
189								
190	V) INTEREST PORTION OF TRUE-UP							
	Variance Caused By Phase-in of Deemed Debt			1				
192	•							
193	Total deemed interest (REGINFO)				507,097			
	Interest phased-in (Cell C36)			1	434,516			
195					·			
196	Variance due to phase-in of debt component of MARR in rates			1	72,581			
197	according to the Board's decision			1	·			
198	*							
199	Other Interest Variances (i.e. Borrowing Levels			İ				
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41) Adjusted				550,657			
202	Total deemed Interest (REGINFO D62)				507,097			
203								
	Variance caused by excess debt				43,560			
205				İ	-,			
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				43,560			
207								
208	Total Interest Variance			İ	29,021			
209			Ì					
210								
211								

	A	В	С	D	Е
	A	ь	C	D	Version 2009.1
	REGULATORY INFORMATION (REGINFO)				V G1 31011 2003. 1
	Utility Name: Lakefront Utilities Inc.			Colour Code	
	Reporting period: 2003			Input Cell	
5	' ''			Formula in Cell	
6	Days in reporting period:	365	days		
	Total days in the calendar year:	365	days		
8					
	<u>BACKGROUND</u>				
	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate		>//N1		
12	tax (and therefore subject to PILs)?		Y/N		
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
	Is the utility a non-profit corporation?		Y/N		
	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)		1/11		
.0	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
	shared among the corporate group?	LCT	Y/N	_	
	Please identify the % used to allocate the OCT and LCT exemptions in	OCT	1/11	100%	
	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
20	·				
24	Accounting Year End		Date	12-31-2003	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			13,988,892	
-	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
00					
-	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			1,198,149	
12					000.070
43	1999 return from RUD Sheet #7			683,673	683,673
	Total Incremental revenue			514,476	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			177,858	
48	Amount allowed in 2002			165,126	165,126
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			_	0
50 51	unless authorized by the Minister and the Board) Amount allowed in 2005 - Third tranche of MARR re: CDM			_	0
52	Other Board-approved changes to MARR or incremental revenue			-	0
53	Outer Board approved enanges to mark of incientaliteralities			-	0
54	Total Regulatory Income				1,026,657
55					.,020,007
	Equity			6,994,446	
57					
	Return at target ROE			691,051	
59					
	Debt			6,994,446	
61	B 11.1				
	Deemed interest amount in 100% of MARR			507,097	
63	Dhose in of interest Macrif (2004)			004.000	
	Phase-in of interest - Year 1 (2001)			364,629	
65 66	((D43+D47)/D41)*D61 Phase-in of interest - Year 2 (2002)			424 E4C	
67	((D43+D47+D48)/D41)*D61			434,516	
_	Phase-in of interest - Year 3 (2003) and forward			434,516	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			107,010	
	Phase-in of interest - 2005			507,097	
71					
72					

	Δ	<u> </u>	С	D	E	F
1	Α	B LINE	M of F	Non-wires	Wires-only	г
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3			Tax		Return	
<u>4</u> 5	0		Return		V 0000 4	
	Section A: Identification:				Version 2009.1	
7	Utility Name: Lakefront Utilities Inc.					
8	Reporting period: 2003					
	Taxation Year's start date:					
	Taxation Year's end date:		205	dovo		
12	Number of days in taxation year:		365	days		
	Please enter the Materiality Level :		17,486	< - enter materiality	level	
14	(0.25% x Rate Base x CER)	Y/N		•		
15	(0.25% x Net Assets)	Y/N				
16 17	Or other measure (please provide the basis of the amount) Does the utility carry on non-wires related operation?	Y/N Y/N				
	(Please complete the questionnaire in the Background questionnaire		neet.)			
19			•			
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
	If required please change the descriptions except for amortization, interest	expens	se and provision for	income tax		
26 27	Please enter the non-wire operation's amount as a positive number, the pro-	rogram :	automatically treats	all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and 1			an amounts		
29	The state of the s					
30	Income:					
31	Energy Sales Distribution Revenue	+	17,490,864 3,778,116		17,490,864	
33	Other Income	+	236,929		3,778,116 236,929	
34	Miscellaneous income	+	200,020		0	
35		+			0	
	Revenue should be entered above this line					
37	Costs and Expenses:					
39	Cost of energy purchased	-	17,490,864		17,490,864	
40	Administration	-	502,075		502,075	
41	Customer billing and collecting	-	273,895		273,895	
42 43	Operations and maintenance Amortization	-	429,336		429,336	
44	Ontario Capital Tax	-	685,742		685,742 0	
_	Employee Future Benefits	-			0	
46	Restatement adjustment	-			0	
47 48		-			0	
49		-			0	
_	Net Income Before Interest & Income Taxes EBIT	=	2,123,997	0	2,123,997	
51	Less: Interest expense for accounting purposes	-	571,715		571,715	
52	Provision for payments in lieu of income taxes	-	425,670		425,670	
53	Net Income (loss) (The Net Income (loss) on the MoF column should equal to the net income (loss)	=	1,126,612	0	1,126,612	
	per financial statements on Schedule 1 of the tax return.)					
55	Ocedan O. Bergan Western C					
	Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	425,670	0	425,670	
	Federal large corporation tax	+	205 7 15		0	
	Depreciation & Amortization Employee benefit plans-accrued, not paid	+	685,742	0	685,742 0	
	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments on which true-up may apply (see A66)	+			0	
	Items on which true-up does not apply "TAXREC 3"		0	0	0	
_	Material addition items from TAXREC 2 Other addition items (not Material) from TAXREC 2	+	0	0	0	
69	Said addition from the meterial from 177/1202		0		0	
70	Subtotal		1,111,412	0	1,111,412	
71	Other Additional (Please evaluin the matrice of the additional)					
	Other Additions: (Please explain the nature of the additions) Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77 78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82 83	Total Additions	=	1,111,412	0	1,111,412	
ပၥ		L				

	A	В	С	D	Е	F
1	n	LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3			Tax		Return	
<u>4</u> 5	0		Return		Version 2009.1	
-	Recap Material Additions:				version 2009.1	
85	Necap Material Additions.		0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89 90			0	0	0	
91			0	0	0	
	Total Other additions >materiality level		0	0	0	
	Other additions (less than materiality level)		0	0	0	
	Total Other Additions		0	0	0	
95 96	BOOK TO TAX DEDUCTIONS:					
	Capital cost allowance	-	484,888		484,888	
	Cumulative eligible capital deduction	-	,		0	
	Employee benefit plans-paid amounts	-			0	
	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments : CCA	-			0	
103	other deductions	-			0	
	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
	Contributions to deferred income plans	-			0	
	Contributions to pension plans	-	22,243	0	0 22,243	
	Items on which true-up does not apply "TAXREC 3" Interest capitalized for accounting deducted for tax		22,243	0	22,243	
	Interest capitalized for accounting deducted for tax Material deduction items from TAXREC 2	-	0	0	0	
-	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	507,131	0	507,131	
	Other deductions (Please explain the nature of the deductions)	_			0	
115 116	Gain on disposal of assets	-			0	
117	Guilt of diopodul of dodolo	-			0	
118					0	
119		-			0	
120 121	Total Other Deductions	=	0	0	0	
122	Total Deductions	=	507,131	0	507,131	
123	Total Deductions		307,131	0	307,131	
124	Recap Material Deductions:					
125			0	0	0	
126 127			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	
132 133	Total Other Deductions		0	0	0	
	TAXABLE INCOME	=	1,730,893	0	1,730,893	
	DEDUCT:	_	1,100,000		1,100,000	
136	Non-capital loss applied positive number	-	589,883		589,883	
137	Net capital loss applied positive number	-			0	
138	NET TAVARI E INCOME		1 1 1 1 0 1 0	^	1 141 010	
140	NET TAXABLE INCOME	=	1,141,010	0	1,141,010	
	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	263,996		263,996	
143	Net Ontario Income Tax (Must agree with tax return)	+	142,626		142,626	
144		=	406,622	0	406,622	
	Less: Miscellaneous tax credits (Must agree with tax returns) Total Income Tax		406,622	0	0 406,622	
147	TOTAL INCOME TAX	=	400,022	U	400,022	
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		23.14%		23.14%	
	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151 152	Blended Income Tax Rate		35.64%		35.64%	
	Section F: Income and Capital Taxes					
154						
155	RECAP					
	Total Income Taxes	+	406,622	0	406,622	
	Ontario Capital Tax Federal Large Corporations Tax	+	22,242		22,242	
158	Federal Large Corporations Tax	+	0		0	
160	Total income and capital taxes	=	428,864	0	428,864	
161	·					

1		A	В	С	D	E	F
2 Tax and Accounting Reserves	1		LINE	_	Non-wires	Wires-only	-
3 Utility Name: Lakefront Utilities Inc.	2	Tax and Accounting Reserves		<u> </u>	Eliminations	•	
S				Tax		Return	
Formula Company Comp		(for "wires-only" business - see s. 72 OEB Act)		Return			
7 Utility Name: Lakefront Utilities Inc.	5	0				Version 2009.1	
Resporting period: 2003							
10 TAX RESERVES							
10 TAX RESERVES		Reporting period: 2003					
11 2 Beginning of Year:							
12 Beginning of Year:		TAX RESERVES					
13 14 Reserve for doubtful accounts ss. 20(1)(f) 0 0 0 15 Reserve for goods & services ss. 20(1)(m) 0 0 0 0 0 17 Debt and share issue expenses ss. 20(1)(e) 0 0 18 Other - Please describe 0 0 0 0 0 0 0 0 0		Designation of Vern					
14 Reserve for doubfful accounts ss. 20(1)(n)		Beginning of Year:				0	
15 Reserve for goods & services ss.20(1)(m)		Pasarya for doubtful accounts as 20(1)(I)					
16 Reserve for unpaid amounts ss.20(1)(n)							
17 Debt and share issue expenses ss.20(1)(e) 0 18 Other - Please describe 0 0 0 0 0 0 0 0 0							
18 Other - Please describe							
19 Other - Please describe							
20							
Total (carry forward to the TAXREC worksheet)		* *					
23	21					0	
23	22	Total (carry forward to the TAXREC worksheet)		0	0	0	
25							
25 Reserve for doubtful accounts ss. 20(1)(i) 0 0 27 Reserve for goods & services ss. 20(1)(in) 0 0 0 0 28 Reserve for unpaid amounts ss. 20(1)(in) 0 0 0 0 0 0 0 0 0		End of Year:					
27 Reserve for goods & services ss.20(1)(m) 0 28 Reserve for unpaid amounts ss.20(1)(n) 0 0 0 0 0 0 0 0 0							
Z8 Reserve for unpaid amounts ss.20(1)(n) 0 29 Debt and share issue expenses ss.20(1)(e) 0 0 0 0 0 0 0 0 0							
29 Debt and share issue expenses ss.20(1)(e) 0 0 0 0 0 0 0 0 0							
30 Other - Please describe 0 0 31 Other - Please describe 0 0 0 32 0 0 33 34 Insert line above this line 0 0 0 0 36 37 38 FINANCIAL STATEMENT RESERVES 0 0 0 0 0 38 FINANCIAL STATEMENT RESERVES 0 0 0 0 0 0 0 0 0							
31 Other - Please describe 0 0 32 0 0 33 34 Insert line above this line 0 0 0 0 0 0 0 36 37 38 FINANCIAL STATEMENT RESERVES 39 0 0 0 0 0 0 0 0 0							
32							
33		Other - Please describe					
34 Insert line above this line							
35 Total (carry forward to the TAXREC worksheet)		Incort line above this line				U	
36				0	0	0	
37		Total (carry forward to the TAXINEO worksheet)		0	U	U	
38 FINANCIAL STATEMENT RESERVES 39 40 Beginning of Year:							
39 40 Beginning of Year:		FINANCIAL STATEMENT RESERVES					
41							
41	40	Beginning of Year:					
43 Environmental 0 0	41					0	
44 Allowance for doubtful accounts 0 45 Inventory obsolescence 0 46 Property taxes 0 47 Employee Future Benefits 0 48 Other - Please describe 0 49 0 50 Total (carry forward to the TAXREC worksheet) 0 51 0 52 End of Year: 0 53 0 54 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0						0	
45 Inventory obsolescence						0	
46 Property taxes 0 47 Employee Future Benefits 0 48 Other - Please describe 0 49 0 0 50 Total (carry forward to the TAXREC worksheet) 0 0 51 0 0 52 End of Year: 0 53 0 0 54 0 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0	-						
47 Employee Future Benefits 0 48 Other - Please describe 0 49 0 0 50 Total (carry forward to the TAXREC worksheet) 0 0 51 0 0 52 End of Year: 0 53 0 0 54 0 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0 0							
48 Other - Please describe 0 49 0 50 Total (carry forward to the TAXREC worksheet) 0 51 0 52 End of Year: 0 53 0 54 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0							
49							
50 Total (carry forward to the TAXREC worksheet) 0 0 0 51		Other - Please describe					
51 52 End of Year: 53 0 54 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0		Total (complement to the TAVDEO			^		
52 End of Year: 53 0 54 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0		I otal (carry forward to the TAXREC worksheet)		0	0	0	
53 0 54 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0		End of Voor:					
54 0 55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0		LIIU OI TEAI.				0	
55 Environmental 0 56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0							
56 Allowance for doubtful accounts 0 57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0	-	Environmental					
57 Inventory obsolescence 0 58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0							
58 Property taxes 0 59 Employee Future Benefits 0 60 Other - Please describe 0 61 0							
59 Employee Future Benefits 60 Other - Please describe 61 0							
60 Other - Please describe 0							
61 0							
						0	
62 Insert line above this line							
63 Total (carry forward to the TAXREC worksheet) 0 0 0		Total (carry forward to the TAXREC worksheet)		0	0	0	
64							

					F F
r	A	В	С	D	
3	0	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax
5	(for "wires-only" business - see s. 72 OEB Act) RATEPAYERS ONLY		Tax Return		Return
6 7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1
8	Utility Name: Lakefront Utilities Inc.				
10	Reporting period: 2003 Number of days in taxation year:		365		
11 12	Materiality Level:		17,486		
13 14					
15	Section C: Reconciliation of accounting income to taxable income Add:				
17		+			0
18 19	Gain on sale of eligible capital property Loss on disposal of assets	+			0
20	Charitable donations (Only if it benefits ratepayers) Taxable capital gains	+			0
22	Scientific research expenditures deducted	+			0
24	per financial statements Capitalized interest	+			0
26 27	Soft costs on construction and renovation of buildings Capital items expensed	+			0
28	Debt issue expense	+			0
29 30	Financing fees deducted in books Gain on settlement of debt	+			0
31	Interest paid on income debentures Recapture of SR&ED expenditures	+			0
33	Share issue expense Write down of capital property	+			0
35 36	Amounts received in respect of qualifying environment trust Provision for bad debts	+			0
37		+			0
38		+			0
	Other Additions: (please explain in detail the nature of the item) Share of Partnership Income	+			0
42 43		+			0
44 45		+			0
46 47	Total Additions	=	0	0	0
48	Recap of Material Additions:				
49 50			0	0	0
51 52			0	0	0
53 54			0	0	0
55 56			0	0	0
57			0	0	0
58 59			0	0	
60 61			0	0	0
62 63			0	0	0
64 65			0	0	0
66 67			0	0	
68 69			0	0	0
70			0	0	0
71 72			0	0	0
73 74			0	0	
75 76			0	0	0
	Total Material additions Other additions less than materiality level		0	0	0
79 80	Total Additions		0	0	0
81	Deduct:				
82 83	Gain on disposal of assets per f/s Dividends not taxable under section 83	Ė			0
85	Terminal loss from Schedule 8 Depreciation in inventory, end of prior year	-			0
86 87	Scientific research expenses claimed in year from Form T661 Bad debts	-			0
88 89	Book income of joint venture or partnership Equity in income from subsidiary or affiliates	-			0
90 91	Contributions to a qualifying environment trust Other income from financial statements	-			0
92 93		-			0
94	Other deductions (Disease studies in d. 1991	-			0
	Other deductions: (Please explain in detail the nature of the item) Non-taxable load transfers	Ė	0		0
97 98		-			0
100	Total Deductions	=	0	0	0
101 102	Recap of Material Deductions:		0	0	0
103 104			0	0	0
105			0	0	0
106			0	0	0
108 109			0	0	0
110 111			0	0	0
112 113			0	0	0
114			0	0	0
115 116			0	0	
117 118			0	0	0
120	Total Deductions exceed materiality level Other deductions less than materiality level		0	0	0
	Total Deductions		0	0	0
		_			

	A	В	С	D	Е	F
1	A		Ü	D		
2	0					
3			N (F	N	140	
	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
<u>6</u>	(for "wires-only" business - see s. 72 OEB Act)		Tax Return		Return	
	Utility Name: Lakefront Utilities Inc.		Retuin		Version 2009.1	
9	, ·					
10						
	Reporting period: 2003 Number of days in taxation year:		365			
13	Number of days in taxation year.		303			
14						
15						
_	Section C: Reconciliation of accounting income to taxable income					
18	Add:					
_	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property Gain on sale of utility eligible capital property	+			0	
-	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
	Loss on disposal of non-utility assets Depreciation in inventory -end of year	+			0	
	Depreciation in Inventory -end or year Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
-	Non-deductible meals	+			0	
-	Non-deductible club dues	+			0	
-	Non-deductible automobile costs Donations - amount per books	+	0		0	
	Interest and penalties on unpaid taxes		0		0	
	Management bonuses unpaid after 180 days of year end				0	
	Imputed interest expense on Regulatory Assets				0	
39	Regulatory Variance Accounts - Dec 2002 balance	+			0	
	Transition costs - opening tax balance	+			0	
42	Transition costs opening tax balance	+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
	Bad debts - pre-October 1, 2001 Denied	+			0	
45 46		+			0	
47	Total Additions on which true-up does not apply	=	0	0	0	
48						
	Deduct:					
50 51	CCA adjustments	_			0	
	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements	-			0	
	Financing fee amorization - considered to be interest expense for PILs	-			0	
57	Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-			0	
59	, ,	-			0	
60		-			0	
61 62		-			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67 68	Other deductions: (Please explain in detail the nature of the item)	-			0	
69	ото водинного. (подос въргант на истан инститист от инстити)	-			0	
70	Provincial Capital Tax	-	22,243		22,243	
71		-			0	
72 73	Total Deductions on which true up does not confe	-	22,243	0	0 22,243	
74	Total Deductions on which true-up does not apply	=	22,243	0	22,243	
75						

	٨	D		<u> </u>	Е	E	-	ы		1.1
1	A	В	С	D	Е	F	G	Н	ı	J
3	Corporate Tax Rates				V	ersion 2009.	.1			
	Utility Name: Lakefront Utili	ities Inc.								
5 6	Reporting period: 2003									
7						Table 1				
	Rates Used in 2002 RAM PI	Ls Applicat					i			
	Income Range RAM 2002		0 to		200,001 to	>700000				
11	NAIVI 2002	Year	200,000		700,000	>100000				
	Income Tax Rate									
	Proxy Tax Year	2002	40.400/		00.400/	00.400/				
	Federal (Includes surtax) and Ontario blended		13.12% 6.00%		26.12% 6.00%	26.12% 12.50%				
16	Blended rate		19.12%		34.12%	38.62%				
17										
18	Capital Tax Rate LCT rate		0.300%							
	Surtax		0.225% 1.12%							
	Ontario Capital Tax	MAX	5,000,000							
21	Exemption **	\$5MM	5,000,000							
	Federal Large Corporations Tax	MAX	10,000,000							
22	Exemption **	\$10MM	10,000,000							
	**Exemption amounts i	must agre	e with the	Board-app	roved 200	2 RAM	•			
23	PILs filing	_								
24										
25						Table 2				
	Expected Income Tax Rates	s for 2003 a		x Exemption						
	Income Range Expected Rates		0 to		200,001 to	>700000				
29		Year	200,000		700,000	2.0000				
	Income Tax Rate									
	Current year Federal (Includes surtax)	2003				24.12%				
	Ontario	2003				12.50%				
34	Blended rate	2003				36.62%				
35	O 11-1 D	0000	0.0000/							
	Capital Tax Rate LCT rate	2003 2003	0.300% 0.225%							
	Surtax	2003	1.12%							
	Ontario Capital Tax	MAX	5,000,000							
39	Exemption *** 2003	\$5MM	0,000,000							
	Federal Large Corporations Tax	MAX	10,000,000							
	Exemption *** 2003	\$10MM								
41	***Allocation of exempt		t comply w	ith the Boa	ard's instr	uctions				
42	regarding regulated ac	tivities.								
43										
44 45										— [
46										
47	-									_
48 49										— [
50										_
51										
52 53										
54										_
55										
56 57										
58										-
59										
60										
60 61		I	I	I	I		I	I	1	
UI										

	A	В	С	D	E	F	G	Н	ı	J	K	Т	М	N	0
1			Ŭ			Ė	Ü		'	Ů	IX	-	141	14	- U
2	Analysis of PILs Tax Account	1562:													
3	Utility Name: Lakefront Utilitie														Version 2009.1
4	Reporting period: 2003				Sign Convention	on: -	+ for increase;	- for	decrease						0
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1, 2005														
13	- input 9/12 of amount														0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)						_								0
	True-up Variance	+/-													
15	Adjustment (3)														0
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)														0
	Deferral Account Variance	+/-													
17	Adjustment (5)														0
	Adjustments to reported	+/-													
18	prior years' variances (6)														0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
	from) customers (8)		0												0
21											_				
22	Ending balance: # 1562	I	0		0		0		0		0		0		0

Uncollected PILs

24 26

29 30

31

37

54

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

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

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