

A	B	C	D	E	F	G	H
	ITEM	Initial		M of F	M of F	Tax	
		Estimate		Filing	Filing	Returns	
				Variance	Variance		
				K-C	Explanation		
("Wires-only" business - see Tab TAXREC)	0					Version 2009.1	
Utility Name: Lakefront Utilities Inc.							
Reporting period: 2004							
Days in reporting period:	366	days				Column	
Total days in the calendar year:	366	days				Brought	
						From	
						TAXREC	
		\$		\$		\$	
II) CORPORATE INCOME TAXES							
Regulatory Net Income REGINFO E53	1	1,026,657		1,138,471		2,165,128	
BOOK TO TAX ADJUSTMENTS							
Additions:							
Depreciation & Amortization	2	734,456		-10,400		724,056	
Employee Benefit Plans - Accrued, Not Paid	3			0		0	
Tax reserves - beginning of year	4			0		0	
Reserves from financial statements - end of year	4			0		0	
Regulatory Adjustments - increase in income	5	63,055		-63,055		0	
Other Additions (See Tab entitled "TAXREC")							
"Material" Items from "TAXREC" worksheet	6			0		0	
Other Additions (not "Material") "TAXREC"	6			0		0	
"Material" Items from "TAXREC 2" worksheet	6			0		0	
Other Additions (not "Material") "TAXREC 2"	6			0		0	
Items on which true-up does not apply "TAXREC 3"				0		0	
Deductions: Input positive numbers							
Capital Cost Allowance and CEC	7	466,068		47,128		513,196	
Employee Benefit Plans - Paid Amounts	8			0		0	
Items Capitalized for Regulatory Purposes	9			0		0	
Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
Interest Expense Deemed/ Incurred	11	434,516		121,280		555,796	
Tax reserves - end of year	4			0		0	
Reserves from financial statements - beginning of year	4			0		0	
Contributions to deferred income plans	3			0		0	
Contributions to pension plans	3			0		0	
Interest capitalized for accounting but deducted for tax	11			0		0	
Other Deductions (See Tab entitled "TAXREC")							
"Material" Items from "TAXREC" worksheet	12			0		0	
Other Deductions (not "Material") "TAXREC"	12			0		0	
Material Items from "TAXREC 2" worksheet	12			0		0	
Other Deductions (not "Material") "TAXREC 2"	12			0		0	
Items on which true-up does not apply "TAXREC 3"				23,278		23,278	
TAXABLE INCOME/ (LOSS)		923,584		873,330	Before loss C/F	1,796,914	
BLENDING INCOME TAX RATE							
Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-3.3919%		35.23%	
REGULATORY INCOME TAX		356,688		276,330	Actual	633,018	
Miscellaneous Tax Credits	14			0	Actual	0	
Total Regulatory Income Tax		356,688		276,330	Actual	633,018	
III) CAPITAL TAXES							
Ontario							
Base	15	13,988,862		-1,229,388		12,759,474	
Less: Exemption	16	5,000,000		0		5,000,000	
Taxable Capital		8,988,862		-1,229,388		7,759,474	
Rate	17	0.3000%		0.0000%		0.3000%	
Ontario Capital Tax		26,967		-3,688		23,278	
Federal Large Corporations Tax							
Base	18	13,988,862		-13,988,862			
Less: Exemption	19	10,000,000		-10,000,000			
Taxable Capital		3,988,862		-23,988,862		0	
Rate	20	0.2250%		-0.0250%		0.2000%	
Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		8,975		-8,975		0	
Less: Federal Surtax 1.12% x Taxable Income	21	10,344		9,781		20,125	
Net LCT		0		-18,756		0	
III) INCLUSION IN RATES							
Income Tax Rate used for gross-up (exclude surtax)		38.62%					
Income Tax (proxy tax is grossed-up)	22	581,114			Actual 2004	633,018	
LCT (proxy tax is grossed-up)	23				Actual 2004	0	
Ontario Capital Tax (no gross-up since it is deductible)	24	26,967			Actual 2004	23,278	
Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION	25	608,081			Actual 2004	656,296	

A	B	C	D	E	F	G	H
	ITEM	Initial		M of F	M of F	Tax	
		Estimate		Filing	Filing	Returns	
				Variance	Variance		
				K-C	Explanation		
1	0					Version 2009.1	
2							
3							
4							
5	0						
6							
7							
8							
9	Days in reporting period:	366	days			Column	
10	Total days in the calendar year:	366	days			Brought	
11						From	
12						TAXREC	
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
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85							
86							
87							
88							

	A	B	C	D	E	F	G	H
1			Initial		M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS	0	Estimate		Filing	Filing	Returns	
3					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: 2004							
8							Column	
9	Days in reporting period:	366	days				Brought	
10	Total days in the calendar year:	366	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
189								
190	V) INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)				507,096			
194	Interest phased-in (Cell C36)				434,516			
195								
196	Variance due to phase-in of debt component of MARR in rates				72,580			
197	according to the Board's decision							
198								
199	Other Interest Variances (I.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41) Adjusted				529,578			
202	Total deemed Interest (REGINFO D62)				507,096			
203								
204	Variance caused by excess debt				22,482			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I112)				22,482			
207								
208	Total Interest Variance				50,098			
209								
210								
211								

	A	B	C	D	E
1					Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Lakefront Utilities Inc.			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	366	days		
7	Total days in the calendar year:	366	days		
8					
9	BACKGROUND				
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		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/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	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			13,988,862	
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			1,198,146	
42					
43	1999 return from RUD Sheet #7			683,673	683,673
44					
45	Total Incremental revenue			514,473	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			177,858	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	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	Total Regulatory Income				1,026,657
55					
56	Equity			6,994,431	
57					
58	Return at target ROE			691,050	
59					
60	Debt			6,994,431	
61					
62	Deemed interest amount in 100% of MARR			507,096	
63					
64	Phase-in of interest - Year 1 (2001)			364,629	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			434,516	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			434,516	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			507,096	
71					
72					

	A	B	C	D	E	F
1		0	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3			Tax		Return	
4		0	Return			
5					Version 2009.1	
6	Section A: Identification:					
7	Utility Name: Lakefront Utilities Inc.					
8	Reporting period: 2004					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		366	days		
12						
13	Please enter the Materiality Level :		17,486	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N				
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/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	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	Income:					
31	Energy Sales	+	18,917,556		18,917,556	
32	Distribution Revenue	+	4,108,278		4,108,278	
33	Other Income	+	166,970		166,970	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	18,917,556		18,917,556	
40	Administration	-	618,682		618,682	
41	Customer billing and collecting	-	223,961		223,961	
42	Operations and maintenance	-	543,421		543,421	
43	Amortization	-	724,056		724,056	
44	Ontario Capital Tax	-			0	
45	Loss on disposal of assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	2,165,128	0	2,165,128	
51	Less: Interest expense for accounting purposes	-	555,796		555,796	
52	Provision for payments in lieu of income taxes	-	660,000		660,000	
53	Net Income (loss)	=	949,332	0	949,332	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	660,000	0	660,000	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	724,056	0	724,056	
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	Items on which true-up does not apply "TAXREC 3"		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	Subtotal		1,384,056	0	1,384,056	
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		0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	1,384,056	0	1,384,056	
83						

	A	B	C	D	E	F
1		0	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3			Tax		Return	
4		0	Return			
5					Version 2009.1	
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	-	513,196		513,196	
98	Cumulative eligible capital deduction	-			0	
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	Items on which true-up does not apply "TAXREC 3"		23,278	0	23,278	
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	=	536,474	0	536,474	
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	=	536,474	0	536,474	
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	=	1,796,914	0	1,796,914	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	1,796,914	0	1,796,914	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	381,450		381,450	
143	Net Ontario Income Tax (Must agree with tax return)	+	251,568		251,568	
144	Subtotal	=	633,018		633,018	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	Total Income Tax	=	633,018	0	633,018	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		21.23%		21.23%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	
151	Blended Income Tax Rate		35.23%		35.23%	
152						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	633,018	0	633,018	
157	Ontario Capital Tax	+	23,278		23,278	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	656,296	0	656,296	
161						

	A	B	C	D	E	F
1	0	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3			Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Lakefront Utilities Inc.					
8	Reporting period: 2004					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
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	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				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	0	0	
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	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2		0	LINE	M of F	Non-wires	Wires-only
3			Corporate	Eliminations		Tax
4	(for "wires-only" business - see s. 72 OFB Act)		Tax			Return
5	RATEPAYERS ONLY		Return			Version 2009.1
6	Shareholder-only items should be shown on TAXREC 3					
7						
8	Utility Name: Lakefront Utilities Inc.					
9	Reporting period: 2004					
10	Number of days in taxation year:		366			
11	Materiality Level:		17,486			
12						
13						
14						
15	Section C: Reconciliation of accounting income to taxable income					
16	Add:					
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	Income - joint ventures / partnerships	+			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	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 I/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule S	-			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	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	2003 OCT included in 2004 income tax	-			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		0				
3						
4	Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	Wires-only	
5	ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Lakefront Utilities Inc.				Version 2009.1	
9						
10						
11	Reporting period: 2004					
12	Number of days in taxation year:		366			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
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	Donations - amount per books				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Ontario capital tax adjustments				0	
39		+			0	
40	Regulatory Variance Accounts - Dec 31, 2003 balance	+			0	
41	Transition Costs - opening tax balance	+			0	
42	PILS - Dec 31, 2003 balance	+			0	
43	Regulatory Variance Accounts - ending CR balances	+			0	
44		+			0	
45	Non Deductible interest expense	+			0	
46		+				
47	Total Additions on which true-up does not apply	=	0	0	0	
48						
49	Deduct:					
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	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61	Provincial Capital Tax	-	23,278		23,278	
62		-			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68		-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	23,278	0	23,278	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	0									
2	Corporate Tax Rates				Version 2009.1					
3										
4	Utility Name: Lakefront Utilities Inc.									
5	Reporting period: 2004									
6										
7	Table 1									
8	Rates Used in 2002 RAM PILs Applications for 2002									
9	Income Range		0		200,001					
10	RAM 2002		to		to	>700000				
11		Year	200,000		700,000					
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	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing									
24										
25	Table 2									
26	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004									
27	Income Range					Taxable				
28	Expected Rates					Income				
29		Year				\$923,584				
30	Income Tax Rate									
31	Current year	2004								
32	Federal (Includes surtax)	2004								
33	Ontario	2004								
34	Blended rate	2004				32.65%				
35										
36	Capital Tax Rate	2004	0.300%							
37	LCT rate	2004	0.200%							
38	Surtax	2004	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	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43										
44										
45										
46										
47										
48										
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52										
53										
54										
55										
56										
57										
58										
59										
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	0														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Lakefront Utilities Inc.														
4	Reporting period: 2004				Sign Convention: + for increase; - for decrease									Version 2009.1	
5															0
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		0		0		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		0
13	PILs proxy from April 1, 2005 - input 9/12 of amount														0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
15	True-up Variance Adjustment (3)	+/-													0
16	Deferral Account Variance Adjustment Q4, 2001 (4)														0
17	Deferral Account Variance Adjustment (5)	+/-													0
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-													0
20	PILs billed to (collected from) customers (8)	-	0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		0		0
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
32															
33	(1) (i)	From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.													
34		Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.													
35		If the Board gave more than one decision in the year, calculate a weighted average proxy.													
36	(ii)	If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.													
37	(iii)	Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.													
38	(iv)	Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.													
39	(v)	Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.													
40	(vi)	Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.													
41															
42	(2)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be													
43		trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.													
44															
45	(3)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.													
46		The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.													
47															
48	(4)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be													
49		trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.													
50															
51	(5)	From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.													
52		The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.													
53															
54	(6)	The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.													
55															
56	(7)	Carrying charges are calculated on a simple interest basis.													
57															
58	(8) (i)	PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate													
59		components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the													
60		2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.													
61		The 2005 PILs tax proxy is being recovered on a volumetric basis by class.													
62															
63	(ii)	Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied													
64		by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;													
65		plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.													
66															
67		In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,													
68		for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.													
69															
70		In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,													
71		for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used													
72		to calculate the recovery for the period January 1 to March 31, 2005.													
73															
74	(9)	Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes													
75		will have to include amounts from 1562 and from 1590.													
76															
77															