_					_		
	A	В	C	D E	F M of F	G	Н
2	PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM	Initial Estimate	M of F Filing	M of F Filing	Tax Returns	
3	TAX CALCULATIONS (TAXCALC)		Lounate	Variance	Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)			K-C	Explanation		
5	Utility Name: Lakefront Utilities Inc.)				Version 2009.1	
7	Utility Name: Lakerront Utilities Inc. Reporting period: 2002	-					
8	Troporting portour 2002					Column	
9	Days in reporting period:	365	days			Brought	
10	Total days in the calendar year:	365	days			From	
12			\$	s		TAXREC \$	
13			Ψ	*		Ÿ	
14	I) CORPORATE INCOME TAXES						
15	Daniel and Marie and DECINE OF STA		4 000 057	-133,400		200 057	
16 17	Regulatory Net Income REGINFO E53	1	1,026,657	-133,400		893,257	
18	BOOK TO TAX ADJUSTMENTS						
19	Additions:						
20	Depreciation & Amortization Employee Benefit Plans - Accrued, Not Paid	3	734,456	-72,290		662,166	
22	Tax reserves - beginning of year	4		0		0	
23	Reserves from financial statements - end of year	4		0		0	
24	Regulatory Adjustments - increase in income	5	63,055	-63,055		0	
25 26	Other Additions (See Tab entitled "TAXREC") "Material" Itams from "TAXREC" worksheet	6		^		0	
27	"Material" Items from "TAXREC" worksheet Other Additions (not "Material") "TAXREC"	6		0		0	
28	"Material Items from "TAXREC 2" worksheet	6		0		0	
29	Other Additions (not "Material") "TAXREC 2"	6		0		0	
30	Items on which true-up does not apply "TAXREC 3"			0		0	
31	Deductions: Input positive numbers	1		-			
33	Capital Cost Allowance and CEC	7	466,068	101,731		567,799	
34	Employee Benefit Plans - Paid Amounts	8		0		0	
35	Items Capitalized for Regulatory Purposes	9		0		0	
36 37	Regulatory Adjustments - deduction for tax purposes in Item 5 Interest Expense Deemed/ Incurred	10 11	434.516	133,942		0 568,458	
38	Tax reserves - end of year	4	10 1,010	0		0	
39	Reserves from financial statements - beginning of year	4		0	-	0	
40	Contributions to deferred income plans Contributions to pension plans	3		0		0	
42	Interest capitalized for accounting but deducted for tax	11		0		0	
43	Other Deductions (See Tab entitled "TAXREC")						
44	"Material" Items from "TAXREC" worksheet	12		0		0	
45 46	Other Deductions (not "Material") "TAXREC" Material Items from "TAXREC 2" worksheet	12 12		0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12		0		0	
48	Items on which true-up does not apply "TAXREC 3"			23,924		23,924	
49							
50 51	TAXABLE INCOME/ (LOSS)		923,584	(528,342)	Before loss C/F	395,242	
52	BLENDED INCOME TAX RATE						
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%	0.0000%		38.62%	
54	DECLI ATORY WOOMS TAY		0.000	000.101		00 504	
55 56	REGULATORY INCOME TAX		356,688	-336,184	Actual	20,504	
57							
58	Miscellaneous Tax Credits	14		0	Actual	0	
59 60	Total Regulatory Income Tax		356,688	-336,184	Actual	20,504	
61	Total Regulatory Income Tax		330,000	-550,104	Actual	20,304	
62							
63	II) CAPITAL TAXES						
64 65	Ontario	1		-			
66	Base	15	13,988,892	-1,014,311		12,974,581	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	0		5,000,000	
68	Taxable Capital	-	8,988,892	-1,014,311		7,974,581	
69 70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%	1	0.3000%	
71	•						
72	Ontario Capital Tax		26,967	-3,043		23,924	
73 74	Federal Large Corporations Tax						
75	Base	18	13,988,892	-1,125,115		12,863,777	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	0	-	10,000,000	
77 78	Taxable Capital	-	3,988,892	-1,125,115		2,863,777	
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	0.0000%		0.2250%	
80							
81 82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income	21	8,975 10,344	-2,532 -9,143		6,443 1,201	
83	LEGG. I EUGIDI GUILDA I. 1276 A TAXADIR ITICUTTR	21	10,344	-9,143	1	1,201	
84	Net LCT		0	6,612		5,242	
85	III) INCLUSION IN DATES	1		_			
86 87	III) INCLUSION IN RATES	1		-			
88	Income Tax Rate used for gross- up (exclude surtax)		38.62%				
89	Leaves Tour feature land	-			4		
90	Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)	22	581,114	+	Actual 2002 Actual 2002	20,504 5,242	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	26,967		Actual 2002 Actual 2002	23,924	
93	·						
94 95	Total PILs for Rate Adjustment MUST AGREE WITH 2002	25	608,081		Actual 2002	49,670	
96	RAM DECISION	20	000,081		Actual 2002	49,070	
97							
_							_

	Δ	-			- 1	Г		
1	A 0	ITEM	C Initial	D	E M of F	F M of F	G Tax	Н
	PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing Variance	Filing Variance	Returns	
4	TAX CALCULATIONS (TAXCALC) ("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0 Utility Name: Lakefront Utilities Inc.						Version 2009.1	
7	Reporting period: 2002							
8	Days in reporting period:	365	days				Column Brought	
10	Total days in the calendar year:	365	days				From	
11			\$		\$		TAXREC \$	
13								
98 99	IV) FUTURE TRUE-UPS			-				
100	IV a) Calculation of the True-up Variance In Additions:				DR/(CR)			
	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-63,055			
	Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers	8						
109 110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments Interest Adjustment for tax purposes (See Below - cell I204)	10			0			
113	Tax reserves claimed in current year	11 4			60,163			
	Reserves from F/S beginning of year Contributions to deferred income plans	4		1	0			
116	Contributions to pension plans	3			0			
	Other deductions "Material" Items TAXREC Other deductions "Material" Item TAXREC 2	12 12		1	0			-
119					Ü			
120 121	Total TRUE-UPS before tax effect	26		=	-123,218			
122	Income Tax Rate			х	38.62%			
123 124	Income Tax Effect on True-up adjustments	L		=	-47,587		<u> </u>	
125		14						
126 127		14			0			
128 129	Total Income Tax on True-ups				-47,587			
130	Income Tax Rate used for gross-up (exclude surtax)				37.50%			
131 132	TRUE-UP VARIANCE ADJUSTMENT				(76,139)			
133					(10,100)			
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	923,584			
137								
138 139				х	38.62%			
140 141	REVISED REGULATORY INCOME TAX			=	356,688			
142	Less: Revised Miscellaneous Tax Credits			-	0			
143 144	Total Revised Regulatory Income Tax			=	356,688			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	356,688			
147					0			
148 149	Regulatory income Tax Variance			=	0			
150 151				=	13,988,892		+ ====	
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153 154	Revised deemed taxable capital			=	8,988,892	·	<u> </u>	
155	Rate			х	0.3000%			
156 157	Revised Ontario Capital Tax			=	26,967			-
	Less: Ontario Capital Tax reported in the initial estimate column (Cell			Ĺ				
158 159				=	26,967 0			L
160 161				1				
162	Base				13,988,892			
163 164	Less: Exemption from tab Tax Rates, Table 2, cell C40 Revised Federal LCT			-	10,000,000 3,988,892			
165				Ē				
166 167	Rate			1	0.2250%		1	-
168					8,975			
	Less: Federal surtax Revised Net LCT			=	10,344			1
171 172				-	0			
173				=	0			
174 175	Actual Income Tax Rate used for gross-up (exclude surtax)			Ł	0.00%			\vdash
176								
177 178				+	0		<u> </u>	
179	Ontario Capital Tax			+	0			
180 181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	0		1	-
182								
184	·			+	(76,139)			
185	Total Deferral Account Entry (Positive Entry = Debit)			=	(76,139)			
186 187	(Deferral Account Variance + True-up Variance)			L	<u> </u>		<u> </u>	
10/			1	-	l			1

I A	В	С	D	E	F	G	Н
1	ITEM	Initial		M of F	M of F	Tax	
2 PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3 TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4 ("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5)					Version 2009.1	
6 Utility Name: Lakefront Utilities Inc.							
7 Reporting period: 2002							
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			1 1				
190 V) INTEREST PORTION OF TRUE-UP							
191 Variance Caused By Phase-in of Deemed Debt							
192							
193 Total deemed interest (REGINFO)				507,097			
194 Interest phased-in (Cell C36)				434,516			
195							
196 Variance due to phase-in of debt component of MARR in rates				72,581			
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				567,260			
202 Total deemed interest (REGINFO CELL D61)				507,097			
203							
204 Variance caused by excess debt				60,163			
205							
206 Interest Adjustment for Tax Purposes (carry forward to Cell I110)				60,163			
207							
208 Total Interest Variance				12,418			
209							
210							
211							

	A	В	С	D	E
1	A	ь	C	Ь	Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				VEI 31011 2003.1
3	Utility Name: Lakefront Utilities Inc.			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6 7	Days in reporting period: Total days in the calendar year:	365	days		
8	Total days in the calendar year:	365	days		
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		
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation corporation for it is a non-profit corporation, please contact the Rates Manager at the OEB)		Y/IN		
_		OCT	Y/N		
19 20		LCT	Y/N	-	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT	1/IN	100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23	·				
24	Accounting Year End		Date	12-31-2002	
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29 30	USE BOARD-APPROVED AMOUNTS				
31	Rate Base (wires-only)			13,988,892	
ᅜ					
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
37	Target Return On Equity			9.88%	
39	Debt rate			7.25%	
41	Market Adjusted Revenue Requirement			1,198,149	
43	1999 return from RUD Sheet #7			683.673	683,673
77				111,111	000,070
45	Total Incremental revenue Input: Board-approved dollar amounts phased-in			514,476	
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			.00,120	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	Total Bassilatani Income				4 000 057
54 55	Total Regulatory Income		-		1,026,657
56	Equity			6,994,446	
57	<u> </u>			0,004,440	
58	Return at target ROE			691,051	
59					
60	Debt			6,994,446	
61	Decreed interest encount in 4000/ of MADD		-	507.007	
62 63	Deemed interest amount in 100% of MARR		-	507,097	
64	Phase-in of interest - Year 1 (2001)		1	364.629	
65	((D43+D47)/D41)*D61			00-1,020	
66				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)		1		
70	Phase-in of interest - 2005		-	507,097	
71 72			-		
14				1	1

	A	В	С	D	E	F
1	TAX RETURN RECONCILIATION (TAXREC)	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	EIIIIIIIalions	Return	
4	0		Return			
5	Section A: Identification:				Version 2009.1	
7	Utility Name: Lakefront Utilities Inc.					
	Reporting period: 2002 Taxation Year's start date:					
	Taxation Year's end date:					
	Number of days in taxation year:		365	days		
12	Please enter the Materiality Level :		17,486	< - enter materiality	level	
14	(0.25% x Rate Base x CER)	Y/N	,			
15 16	(0.25% x Net Assets) Or other measure (please provide the basis of the amount)	Y/N Y/N				
	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire	worksh	eet.)			
	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
23	Section B: Financial statements data: Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25 26	If required please change the descriptions except for amortization, interest	expens	e and provision for	income tax		
27	Please enter the non-wire operation's amount as a positive number, the pr			all amounts		
28 29	in the "non-wires elimination column" as negative values in TAXREC and T	TAXREC	22.			
	Income:					
31	Energy Sales	+	20,480,636		20,480,636	
32	Distribution Revenue Other Income	+	2,667,307 230,030		2,667,307 230,030	
34	Miscellaneous income	+			0	
35	Revenue should be entered above this line	+			0	
37						
38	Costs and Expenses: Cost of energy purchased	_	20,480,636		20,480,636	
40	Administration	-	544,293		544,293	
41	Customer billing and collecting	-	315,189		315,189	
43	Operations and maintenance Amortization	-	482,432 662,166		482,432 662,166	
44	Ontario Capital Tax	-	•		0	
45 46	Reg Assets	-			0	
	Other items expensed	-			0	
48		-			0	
	Net Income Before Interest & Income Taxes EBIT	=	893,257	0	893,257	
51 52	Less: Interest expense for accounting purposes Provision for payments in lieu of income taxes	-	568,458 62,703		568,458 62,703	
	Net Income (loss)	=	262,096	0	262,096	
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						
	Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1					
	BOOK TO TAX ADDITIONS:					
	Provision for income tax Federal large corporation tax	+	62,703	0	62,703	
61	Depreciation & Amortization	+	662,166	0	662,166	
	Employee benefit plans-accrued, not paid	+		0	0	
64	Tax reserves - beginning of year Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
	Items on which true-up does not apply "TAXREC 3" Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69 70	Subtotal		724,869	0	724,869	
71			7 24,009	0	7 24,009	
	Other Additions: (Please explain the nature of the additions)					
	Recapture of CCA Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	DEPRECIATION DIFFERENCE	+			0	
78		+			0	
79 80	Total Other Additions	+ =	0	0	0	
81						
82 83	Total Additions	=	724,869	0	724,869	
84	Recap Material Additions:					
85 86			0	0	0	
87			0	0	0	
88			0	0	0	
89 90			0	0	0	
91	7.104		0	0	0	
	Total Other additions >materiality level Other additions (less than materiality level)		0	0	0	
93			U	U	U	

	A	В	С	D	E	F
1		0 LINE	M of F	Non-wires	Wires-only	-
2	TAX RETURN RECONCILIATION (TAXREC)	U LINE	Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
95	DOOK TO TAY DEDUCTIONS.					
97	BOOK TO TAX DEDUCTIONS: Capital cost allowance	-	567,799		567,799	
	Cumulative eligible capital deduction	-	301,133		0	
	Employee benefit plans-paid amounts	-			0	
	Items capitalized for regulatory purposes	-			0	
	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions Tax reserves - end of year	-	0	0	0	
	Reserves from financial statements- beginning of year	+ -	0	0	0	
106	Contributions to deferred income plans	-	Ü	<u> </u>	0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		23,924	0	23,924	
	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112 113	Subtotal	=	591,723	0	591,723	
	Other deductions (Please explain the nature of the deductions)	+ =	381,123	0	381,123	
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets				0	
117		-			0	
118					0	
119	Total Others Deductions	-	0		0	
120 121	Total Other Deductions	=	0	0	0	
122	Total Deductions	=	591,723	0	591,723	
123	Total Boaddions		001,120		001,120	
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127 128			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						
	TAXABLE INCOME	=	395,242	0	395,242	
135 136	DEDUCT: Non-capital loss applied positive number	-	288,000		288,000	
137	Net capital loss applied positive number	-	200,000		288,000	
138					0	
139	NET TAXABLE INCOME	=	107,242	0	107,242	
140	EDOM ACTUAL TAX DETUDIO					
	FROM ACTUAL TAX RETURNS Net Federal Income Tax (Must agree with tax return)	+ .	44.070		44.070	
	Net Pederal Income Tax (Must agree with tax return) Net Ontario Income Tax (Must agree with tax return)	+	14,070 6,434		14,070 6,434	
144	Subtotal	=	20,504	0	20,504	
	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
	Total Income Tax	=	20,504	0	20,504	
147						
	FROM ACTUAL TAX RETURNS		0.0004		0.0004	
	Net Federal Income Tax Rate (Must agree with tax return) Net Ontario Income Tax Rate (Must agree with tax return)	+	0.00% 0.00%		0.00% 0.00%	
151	Blended Income Tax Rate (Must agree with tax return)		0.00%	******	0.00%	
152			0.0070		0.0070	
	Section F: Income and Capital Taxes					
154						
	RECAP					
	Total Income Taxes	+	20,504	0	20,504 23,924	
157 158	Ontario Capital Tax Federal Large Corporations Tax	+	23,924 5,242		5,242	
159	, sasia, Eargo Corporationo Tax	7	5,242		0,242	
160	Total income and capital taxes	=	49,670	0	49,670	
161				-		

	A	В	С	D	E	F
1	O	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		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: 2002					
9	TAY DECEDIES					
10 11	TAX RESERVES					
	Designing of Veer					
13	Beginning of Year:				0	
	Reserve for doubtful accounts ss. 20(1)(I)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18					0	
	Other - Please describe				0	
20					0	
21		ļ			0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
25	End of Year:				0	
26	Reserve for doubtful accounts ss. 20(1)(I)				0	
27					0	
	Reserve for unpaid amounts ss.20(1)(n)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38 39	FINANCIAL STATEMENT RESERVES					
	Beginning of Year:					
41	beginning or rear:				0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
46	Property taxes				0	
	Employee Future Benefits				0	
48	Other - Please describe				0	
49		ļ			0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51	Find of Vocasi	1				
52 53	End of Year:	 			0	
54		 			0	
	Environmental	 			0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
58	Property taxes				0	
59	Employee Future Benefits				0	
	Other - Please describe				0	
61					0	
	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

- 1	A	В	С	D	E	F
1	A	В	C	D	Е	
2		LINE	M of F	Non-wires	Wires-only	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
	(for "wires-only" business - see s. 72 OEB Act) RATEPAYERS ONLY		Tax Return		Return	
	Shareholder-only Items should be shown on TAXREC 3		Retuin		Version 2009.1	
7					7 0.0.0.1 2000.1	
	Utility Name: Lakefront Utilities Inc.					
	Reporting period: 2002		205			
	Number of days in taxation year: Materiality Level:		365 17,486			
12	materiality Level.		17,400			
13						
14						
	Section C: Reconciliation of accounting income to taxable income Add:					
17	Add.	+			0	
	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers) Taxable capital gains	+			0	
22	Taxable Capital gains	+			0	
	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
	Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings Capital items expensed	+			0	
	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
	Gain on settlement of debt	+			0	
	Interest paid on income debentures Recapture of SR&ED expenditures	+			0	
	Share issue expense	+			0	
34	Write down of capital property	+			0	
	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
38		+			0	
39		+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
41 42		+			0	
43		+			0	
44		+			0	
45		+				
46 47	Total Additions	=	0	0	0	
	Recap of Material Additions:					
49	Troods of Material Additions.		0	0	0	
50			0	0	0	
51			0	0	0	
52 53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57 58			0	0	0	
58			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63 64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68 69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74 75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	

	A	В	С	D	Е	F
1						
2		LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	RATEPAYERS ONLY		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8						
	Reporting period: 2002					
	Number of days in taxation year:		365			
11	Materiality Level:		17,486			
12						
13						
80						
81	Deduct:					
	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
	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	
	Contributions to a qualifying environment trust	-			0	
91		-			0	
92		-				
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96	,	-			0	
97		-			0	
98		-			0	
	Total Deductions	-	0	0	0	
100	Total Deductions	_	0	0	0	
	Recap of Material Deductions:					
102	recap of Material Deductions.		0	0	0	
103			0	0	0	
103			0	0	0	
105			0	0	0	
105			0	0	0	
106			0	0	0	
107						
108			0	0	0	
			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			0	0	0	
121	Total Deductions		0	0	0	
122						

_		_				
1	A	В	С	D	E	F
1	0					
_	TAX RETURN RECONCILIATION (TAXREC 3)					
	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	
	(for "wires-only" business - see s. 72 OEB Act)		Tax	2	Return	
7	(IOI WITES-OTHY DUSTITIESS - SEE S. 72 OLD ACT)		Return		Ketuiii	
_	Utility Name: Lakefront Utilities Inc.		rtotuiii		Version 2009.1	
9	The state of the s					
10						
	Reporting period: 2002					
	Number of days in taxation year:		365			
13						
14						
15	Ocation Or Beautiful and accounting in come to touch in income					
	Section C: Reconciliation of accounting income to taxable income Add:					
18	Adu.					
	Recapture of capital cost allowance	+			0	
	CCA adjustments	+			0	
21	CEC adjustments	+			0	
	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account	+			0	
	Non-deductible meals	+			0	
	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
	Donations - amount per books				0	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end				0	
	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46		+				
47	Total Additions on which true-up does not apply	-	0	0	0	
48						
	Deduct:					
50	OCA adjustments					
	CCA adjustments CEC adjustments	-			0	
	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	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62 63		-			0	
63	Other deductions: (Please explain in detail the nature of the item)	-			0	
65	oner deductions. (Ficase explain in detail the nature of the itelf)	-			0	
	Provincial Capital Tax	-	23,924		23,924	
67	and the second s	-	20,024		0	
68		-			0	
69	·	-			0	
70					0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	23,924	0	23,924	
74 75						
70		1				

	A	В	С	D	Е	F	G	Н	1	-
1	0			D			<u> </u>			J
2	Corporate Tax Rates				v	ersion 2009.	1			
		r Threshold	ls		-	0.0.0 2000.				
	Utility Name: Lakefront Util									
6	2.0									
7						Table 1				
8	Rates Used in 2002 RAM PI	Ls Applicat	ions for 2002	2						
9	Income Range		0		200,001					
10	RAM 2002		to		to	>700,000				
11		Year	200,000		700,000					
12	Income Tax Rate									
	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%							
	LCT rate		0.225%							
	Surtax		1.12%							
	Ontario Capital Tax	MAX								
21	Exemption **	\$5MM	5,000,000							
	Federal Large	MAN								
	Corporations Tax	MAX	10,000,000							
22	Exemption **	\$10MM								
	**Exemption amounts	must agre	e with the	Board-app	roved 200	2 RAM				
	PILs filing									
23	i its iiiiig									
24										
25						Table 2				
26	Expected Income Tax Rates	s for 2002 a	nd Capital Ta	ax Exemption	s for 2002					
27	Income Range		0		200,001					
28	Expected Rates		to		to	>700,000				
29		Year	200,000		700,000					
30	Income Tax Rate									
31	Current year	2002								
32	Federal (Includes surtax)	2002				26.12%				
33	Ontario	2002				12.50%				
34	Blended rate	2002				38.62%				
35										
36	Capital Tax Rate	2002	0.300%							
37	LCT rate	2002	0.225%							
38	Surtax	0000								
		2002	1.12%							
\sim	Ontario Capital Tax	MAX								
39	Exemption *** 2002		1.12% 5,000,000							
39		MAX \$5MM	5,000,000							
	Exemption *** 2002 Federal Large Corporations Tax	MAX \$5MM MAX								
40	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002	MAX \$5MM MAX \$10MM	5,000,000							
40	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46 47	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Box	ard's instr	ructions				
40 41 42 43 44 45 46 47 48	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51 52	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Bo	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51 52 53	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51 52 53 54	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Box	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Box	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Bo	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Boa	ard's instr	ructions				
40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58	Exemption *** 2002 Federal Large Corporations Tax Exemption *** 2002 ***Allocation of exemption	MAX \$5MM MAX \$10MM	5,000,000	vith the Box	ard's instr	ructions				

	A	В	С	D	E	F	G	Н	1	J	K	L	M	Ν	0
5	0														
6	Analysis of PILs Tax Account														
7	Utility Name: Lakefront Utiliti	es Inc													Version 2009.1
8	Reporting period: 2002				Sign Conventi	on:	+ for increase;	- fo	r decrease						0
9															
10															j
11															
12	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
14															J
15	Opening balance:	=	0		0		0		0		0		0		0
	Board-approved PILs tax	+/-					_								
16	proxy from Decisions (1)						0		0		0		0		0
	PILs proxy from April 1,														
17	2005 - input 9/12 of amount														0
	True-up Variance	+/-													
18	Adjustment Q4, 2001 (2)														0
	True-up Variance	+/-													
19	Adjustment (3)														0
	Deferral Account Variance														
20	Adjustment Q4, 2001 (4)														0
	Deferral Account Variance	+/-													
21	Adjustment (5)												0		0
	Adjustments to reported	+/-					- -								
22	prior years' variances (6)														0
23	Carrying charges (7)	+/-													0
	PILs billed to (collected	-					-								
24	from) customers (8)		0												0
25															
26	Ending balance: # 1562		0		0		0		0		0		0		0
27									_					,	

Uncollected PILs

28 29 30

35

38 39

40 41

42

50

53

56

57 58

62

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: 36 37

- (1) (i) From the Board's Decision see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. If the Board gave more than one decision in the year, calculate a weighted average proxy.
 - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
 - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
 - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
- (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
- (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 43 44 45 46 (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation 49 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
 - The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005
- 51 52 (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation 55
 - (5) From the Ministry of Finance Variance Column, under Future True-ups. Part IV a. cell I181, of the TAXCALC spreadsheet The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
 - (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
- 60 (7) Carrying charges are calculated on a simple interest basis.
 - (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
 - (ii) Collections should equal: (a) the actual volumes/ load (kWhs. kWs. Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
 - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
 - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
- 63 64 65 66 67 68 69 71 72 74 75 76 77 (9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes 79 will have to include amounts from 1562 and from 1590.