File Number:EB-2012-0061

Date Filed:May 01, 2012

Exhibit 4

SCUGOG PILS

File Number:EB-2012-0061

Date Filed:May 01, 2012

Exhibit 4

Tab 1 of 2

1562 Deferred PILs

1562 Deferred PILs

File Number:EB-2012-0061

Exhibit: 4
Tab: 1
Schedule: 1

Date Filed: May 01, 2012

Attachment 1 of 2

PILS 1562 Continuity Schedule

Distributor Information

Applicant Name	**Veridian Connections Inc. - Scugog**
OEB Licence Number	**ED-2002-0505**
OEB File Number	**EB-2012-0061**

Name of LDC: **Veridian Connections Inc. - Scugog**

OEB Licence Number: **ED-2002-0505**

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C1.3 Jan to Mar 2004 PILs Rec	Jan to Mar 2004 PILs Recovered
C1.4 Apr to Dec 2004 PILs Rec	Apr to Dec 2004 PILs Recovered
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F1.1 Calc Carry Cost 2001	Calculate Carrying Cost 2001
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G1.1 Request for Disposition	Request for Disposition of 1562 Balance

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

Prescribed Interest Rates

	Approved Deferral and Variance Accounts Prescribed Interest Rate (per the Bankers' Acceptances-3 months Plus 0.25 Spread)
Q3 2001	7.00
Q2 2006	4.14
Q3 2006	4.59
Q4 2006	4.59
Q1 2007	4.59
Q2 2007	4.59
Q3 2007	4.59
Q4 2007	5.14
Q1 2008	5.14
Q2 2008	4.08
Q3 2008	3.35
Q4 2008	3.35
Q1 2009	2.45
Q2 2009	1.00
Q3 2009	0.55
Q4 2009	0.55
Q1 2010	0.55
Q2 2010	0.55
Q3 2010	0.89
Q4 2010	1.20
Q1 2011	1.47
Q2 2011	1.47
Q3 2011	1.47
Q4 2011	1.47
Q1 2012	1.47
Q2 2012	1.47

ates

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

Annual Interest

Month	Prescribed Interest	Monthly Interest	Cummulative
Wednesday, January 31, 2001	0.00	0.00%	0.00%
##########	0.00	0.00%	0.00%
Saturday, March 31, 2001	0.00	0.00%	0.00%
Monday, April 30, 2001	0.00	0.00%	0.00%
Thursday, May 31, 2001	0.00	0.00%	0.00%
Saturday, June 30, 2001	0.00	0.00%	0.00%
Tuesday, July 31, 2001	0.00	0.00%	0.00%
Friday, August 31, 2001	0.00	0.00%	0.00%
Sunday, September 30, 2001	0.00	0.00%	0.00%
Wednesday, October 31, 2001	7.00	0.59%	0.59%
Friday, November 30, 2001	7.00	0.58%	1.17%
Monday, December 31, 2001	7.00	0.59%	1.76%
Effective Annual Interest		**1.76%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Thursday, January 31, 2002	7.00	0.59%	0.59%
Thursday, February 28, 2002	7.00	0.54%	1.13%
Sunday, March 31, 2002	7.00	0.59%	1.73%
Tuesday, April 30, 2002	7.00	0.58%	2.30%
Friday, May 31, 2002	7.00	0.59%	2.90%
Sunday, June 30, 2002	7.00	0.58%	3.47%
Wednesday, July 31, 2002	7.00	0.59%	4.07%
Saturday, August 31, 2002	7.00	0.59%	4.66%
Monday, September 30, 2002	7.00	0.58%	5.24%
Thursday, October 31, 2002	7.00	0.59%	5.83%
Saturday, November 30, 2002	7.00	0.58%	6.41%
Tuesday, December 31, 2002	7.00	0.59%	7.00%
Effective Annual Interest		**7.00%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Friday, January 31, 2003	7.00	0.59%	0.59%
Friday, February 28, 2003	7.00	0.54%	1.13%
Monday, March 31, 2003	7.00	0.59%	1.73%
Wednesday, April 30, 2003	7.00	0.58%	2.30%
Saturday, May 31, 2003	7.00	0.59%	2.90%
Monday, June 30, 2003	7.00	0.58%	3.47%
Thursday, July 31, 2003	7.00	0.59%	4.07%
Sunday, August 31, 2003	7.00	0.59%	4.66%
Tuesday, September 30, 2003	7.00	0.58%	5.24%
Friday, October 31, 2003	7.00	0.59%	5.83%
Sunday, November 30, 2003	7.00	0.58%	6.41%
##########	7.00	0.59%	7.00%
Effective Annual Interest		**7.00%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Saturday, January 31, 2004	7.00	0.59%	0.59%
Sunday, February 29, 2004	7.00	0.56%	1.15%
Wednesday, March 31, 2004	7.00	0.59%	1.75%
Friday, April 30, 2004	7.00	0.58%	2.32%
Monday, May 31, 2004	7.00	0.59%	2.92%
Wednesday, June 30, 2004	7.00	0.58%	3.49%
Saturday, July 31, 2004	7.00	0.59%	4.08%
Tuesday, August 31, 2004	7.00	0.59%	4.68%
Thursday, September 30, 2004	7.00	0.58%	5.25%
Sunday, October 31, 2004	7.00	0.59%	5.85%
Tuesday, November 30, 2004	7.00	0.58%	6.42%
Friday, December 31, 2004	7.00	0.59%	7.02%
Effective Annual Interest		**7.02%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Monday, January 31, 2005	7.00	0.59%	0.59%
Monday, February 28, 2005	7.00	0.54%	1.13%
Thursday, March 31, 2005	7.00	0.59%	1.73%
Saturday, April 30, 2005	7.00	0.58%	2.30%
Tuesday, May 31, 2005	7.00	0.59%	2.90%
Thursday, June 30, 2005	7.00	0.58%	3.47%
Sunday, July 31, 2005	7.00	0.59%	4.07%
Wednesday, August 31, 2005	7.00	0.59%	4.66%
Friday, September 30, 2005	7.00	0.58%	5.24%
Monday, October 31, 2005	7.00	0.59%	5.83%
###########################	7.00	0.58%	6.41%
Saturday, December 31, 2005	7.00	0.59%	7.00%
Effective Annual Interest		**7.00%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Tuesday, January 31, 2006	7.00	0.59%	0.59%
Tuesday, February 28, 2006	7.00	0.54%	1.13%
Friday, March 31, 2006	7.00	0.59%	1.73%
Sunday, April 30, 2006	4.14	0.34%	2.07%
Wednesday, May 31, 2006	4.14	0.35%	2.42%
Friday, June 30, 2006	4.14	0.34%	2.76%
Monday, July 31, 2006	4.59	0.39%	3.15%
Thursday, August 31, 2006	4.59	0.39%	3.54%
Saturday, September 30, 2006	4.59	0.38%	3.92%
Tuesday, October 31, 2006	4.59	0.39%	4.30%
Thursday, November 30, 2006	4.59	0.38%	4.68%
Sunday, December 31, 2006	4.59	0.39%	5.07%
Effective Annual Interest		**5.07%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Wednesday, January 31, 2007	4.59	0.39%	0.39%
###########################	4.59	0.35%	0.74%
Saturday, March 31, 2007	4.59	0.39%	1.13%
Monday, April 30, 2007	4.59	0.38%	1.51%
Thursday, May 31, 2007	4.59	0.39%	1.90%
Saturday, June 30, 2007	4.59	0.38%	2.28%

Tuesday, July 31, 2007	4.59	0.39%	2.67%
Friday, August 31, 2007	4.59	0.39%	3.06%
Sunday, September 30, 2007	4.59	0.38%	3.43%
Wednesday, October 31, 2007	5.14	0.44%	3.87%
Friday, November 30, 2007	5.14	0.42%	4.29%
Monday, December 31, 2007	5.14	0.44%	4.73%
Effective Annual Interest		**4.73%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Thursday, January 31, 2008	5.14	0.44%	0.44%
Friday, February 29, 2008	5.14	0.41%	0.84%
Monday, March 31, 2008	5.14	0.44%	1.28%
Wednesday, April 30, 2008	4.08	0.34%	1.62%
Saturday, May 31, 2008	4.08	0.35%	1.96%
Monday, June 30, 2008	4.08	0.34%	2.30%
Thursday, July 31, 2008	3.35	0.28%	2.58%
Sunday, August 31, 2008	3.35	0.28%	2.87%
Tuesday, September 30, 2008	3.35	0.28%	3.14%
Friday, October 31, 2008	3.35	0.28%	3.43%
Sunday, November 30, 2008	3.35	0.28%	3.70%
##########################	3.35	0.28%	3.99%
Effective Annual Interest		**3.99%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Saturday, January 31, 2009	2.45	0.21%	0.21%
Saturday, February 28, 2009	2.45	0.19%	0.40%
Tuesday, March 31, 2009	2.45	0.21%	0.60%
Thursday, April 30, 2009	1.00	0.08%	0.69%
Sunday, May 31, 2009	1.00	0.08%	0.77%
Tuesday, June 30, 2009	1.00	0.08%	0.85%
Friday, July 31, 2009	0.55	0.05%	0.90%
Monday, August 31, 2009	0.55	0.05%	0.95%
##########################	0.55	0.05%	0.99%
Saturday, October 31, 2009	0.55	0.05%	1.04%
Monday, November 30, 2009	0.55	0.05%	1.08%
Thursday, December 31, 2009	0.55	0.05%	1.13%
Effective Annual Interest		**1.13%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Sunday, January 31, 2010	0.55	0.05%	0.05%
Sunday, February 28, 2010	0.55	0.04%	0.09%
Wednesday, March 31, 2010	0.55	0.05%	0.14%
Friday, April 30, 2010	0.55	0.05%	0.18%
Monday, May 31, 2010	0.55	0.05%	0.23%
Wednesday, June 30, 2010	0.55	0.05%	0.27%
Saturday, July 31, 2010	0.89	0.08%	0.35%
Tuesday, August 31, 2010	0.89	0.08%	0.42%
Thursday, September 30, 2010	0.89	0.07%	0.50%
Sunday, October 31, 2010	1.20	0.10%	0.60%
Tuesday, November 30, 2010	1.20	0.10%	0.70%
Friday, December 31, 2010	1.20	0.10%	0.80%
Effective Annual Interest		**0.80%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Monday, January 31, 2011	1.47	0.12%	0.12%
Monday, February 28, 2011	1.47	0.11%	0.24%
Thursday, March 31, 2011	1.47	0.12%	0.36%
Saturday, April 30, 2011	1.47	0.12%	0.48%
Tuesday, May 31, 2011	1.47	0.12%	0.61%
Thursday, June 30, 2011	1.47	0.12%	0.73%
Sunday, July 31, 2011	1.47	0.12%	0.85%
Wednesday, August 31, 2011	1.47	0.12%	0.98%
Friday, September 30, 2011	1.47	0.12%	1.10%
Monday, October 31, 2011	1.47	0.12%	1.22%
##########################	1.47	0.12%	1.35%
Saturday, December 31, 2011	1.47	0.12%	1.47%
Effective Annual Interest		**1.47%**	

Month	Prescribed Interest	Monthly Interest	Cummulative
Tuesday, January 31, 2012	1.47	0.12%	0.12%
##########################	1.47	0.12%	0.24%
Saturday, March 31, 2012	1.47	0.12%	0.37%
Monday, April 30, 2012	1.47	0.12%	0.49%
Thursday, May 31, 2012	0.00	0.00%	0.49%
Saturday, June 30, 2012	0.00	0.00%	0.49%
Tuesday, July 31, 2012	0.00	0.00%	0.49%
Friday, August 31, 2012	0.00	0.00%	0.49%
Sunday, September 30, 2012	0.00	0.00%	0.49%
Wednesday, October 31, 2012	0.00	0.00%	0.49%
Friday, November 30, 2012	0.00	0.00%	0.49%
Monday, December 31, 2012	0.00	0.00%	0.49%
Effective Annual Interest		**0.49%**	

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

PILs Tax Proxy

	Year	Amount
Board-approved PILs tax proxy from Decisions	2001	5,020
Board-approved PILs tax proxy from Decisions	2002	26,063
Board-approved PILs tax proxy from Decisions	2005	42,932

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

Rate Class Selection

Rate Group	Rate Class	Fixed Metric	Vol Metric
RES	Residential	Customer	kWh
GSLT50	General Service Less Than 50 kV	Customer	kWh
GSGT50	General Service 50 to 4,999 kW	Customer	kW
USL	Unmetered Scattered Load	Connection	kWh
Sen	Sentinel Lighting	Connection	kW
SL	Street Lighting	Connection	kW
			kWh
NA	Rate Class 8	NA	NA
NA	Rate Class 9	NA	NA
NA	Rate Class 10	NA	NA
NA	Rate Class 11	NA	NA
NA	Rate Class 12	NA	NA
NA	Rate Class 13	NA	NA
NA	Rate Class 14	NA	NA
NA	Rate Class 15	NA	NA
NA	Rate Class 16	NA	NA
NA	Rate Class 17	NA	NA
NA	Rate Class 18	NA	NA
NA	Rate Class 19	NA	NA
NA	Rate Class 20	NA	NA
NA	Rate Class 21	NA	NA
NA	Rate Class 22	NA	NA
NA	Rate Class 23	NA	NA
NA	Rate Class 24	NA	NA
NA	Rate Class 25	NA	NA

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

PILs Recovered March to December 2002

Rate Class	Fixed Metric	PILs Rate 2001 **A**	PILs Rate 2002 **B**	Total PILs Rate **C = A + B**	Monthly Service Charge	Cust/Conn Billed Mar to Dec 2002 **D**	PILs Recovered **E = C * D * 10**
Residential	Customer	0.059704	0.309970	0.369674	6.8400	1,942	7,179
General Service Less Than 50 kW	Customer	0.163301	0.847820	1.011121	17.22	309	3,124
General Service 50 to 4,999 kW	Customer	1.339742	6.955640	8.295382	162.24	24	1,991
Unmetered Scattered Load	Connection	0.096223	0.499570	0.595793	10.64	19	113
Sentinel Lighting	Connection	0.013516	0.070170	0.083686	2.03	20	17
Street Lighting	Connection	0.003878	0.020130	0.024008	0.45	617	148
0	0			0.000000	0.00		0
						2,931	12,572

Rate Class	Vol Metric	PILs Rate 2001 **A**	PILs Rate 2002 **B**	Total PILs Rate **C = A + B**	Distribution Charge	kWh/kW Billed Mar to Dec 2002 **D**	PILs Recovered **E = C * D**
Residential	kWh	0.000074	0.000380	0.000454	0.0097	15,119,762	6,864
General Service Less Than 50 kW	kWh	0.000061	0.000320	0.000381	0.0084	7,829,495	2,983
General Service 50 to 4,999 kW	kW	0.011157	0.057920	0.069077	1.9359	28,628	1,978
Unmetered Scattered Load	kWh	0.000253	0.001310	0.001563	0.0221	130,998	205
Sentinel Lighting	kW	0.049100	0.254910	0.304010	5.4339	21	6
Street Lighting	kW	0.027896	0.014483	0.042379	3.7909	860	36
0	kWh			0.000000	0.0000	0	0
						23,109,764	12,073

24,645

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

PILs Recovered 2003

Rate Class	Fixed Metric	PILs Rate 2001 **A**	PILs Rate 2002 **B**	Total PILs Rate **C = A + B**	Monthly Service Charge	Cust/Conn Billed **D**	PILs Recovered **E = C * D * 12**
Residential	Customer	0.059704	0.309970	0.369674	6.8400	1,955	8,673
General Service Less Than 50 kW	Customer	0.163301	0.847820	1.011121	17.2200	313	3,798
General Service 50 to 4,999 kW	Customer	1.339742	6.955640	8.295382	162.2400	31	3,086
Unmetered Scattered Load	Connection	0.096223	0.499570	0.595793	10.6400	19	136
Sentinel Lighting	Connection	0.013516	0.070170	0.083686	2.0300	19	19
Street Lighting	Connection	0.003878	0.020130	0.024008	0.4500	617	178
0	0	0.000000	0.000000	0.000000	0.0000		0
						2,954	15,889

Rate Class	Vol Metric	PILs Rate 2001 **A**	PILs Rate 2002 **B**	Total PILs Rate **C = A + B**	Distribution Charge	kWh/kW Billed 2003 **D**	PILs Recovered **E = C * D**
Residential	kWh	0.000074	0.000380	0.000454	0.0097	20,499,777	9,307
General Service Less Than 50 kW	kWh	0.000061	0.000320	0.000381	0.0084	9,818,881	3,741
General Service 50 to 4,999 kW	kW	0.011157	0.057920	0.069077	1.9359	43,082	2,976
Unmetered Scattered Load	kWh	0.000253	0.001310	0.001563	0.0221	171,184	268
Sentinel Lighting	kW	0.049100	0.254910	0.304010	5.4339	0	0
Street Lighting	kW	0.027896	0.014483	0.042379	3.7909	0	0
0	kWh	0.000000	0.000000	0.000000	0.0000	0	0
						30,532,924	16,291

32,180

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

PILs Recovered January to March 2004

Rate Class		Fixed Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2004 D	PILs Recovered E = C * D * 3
Residential		Customer	0.059704	0.309970	0.369674	6.8400	1,974	2,189
General Service Less Than 50 kW		Customer	0.163301	0.847820	1.011121	17.2200	313	949
General Service 50 to 4,999 kW		Customer	1.339742	6.955640	8.295382	162.2400	33	821
Unmetered Scattered Load		Connection	0.096223	0.499570	0.595793	10.6400	20	36
Sentinel Lighting		Connection	0.013516	0.070170	0.083686	2.0300	22	6
Street Lighting		Connection	0.003878	0.020130	0.024008	0.4500	617	44
	0	0	0.000000	0.000000	0.000000	0.0000		0
							2,979	4,046

Rate Class		Vol Metric	PILs Rate 2001 A	PILs Rate 2002 B	Total PILs Rate C = A + B	Distribution Charge	kWh/kW Billed Jan To Mar D	PILs Recovered E = C * D
Residential		kWh	0.000074	0.000380	0.000454	0.0097	5,207,899	2,364
General Service Less Than 50 kW		kWh	0.000061	0.000320	0.000381	0.0084	2,465,734	939
General Service 50 to 4,999 kW		kW	0.011157	0.057920	0.069077	1.9359	10,430	720
Unmetered Scattered Load		kWh	0.000253	0.001310	0.001563	0.0221	46,926	73
Sentinel Lighting		kW	0.049100	0.254910	0.304010	5.4339	5	2
Street Lighting		kW	0.027896	0.014483	0.042379	3.7909	288	12
	0	kWh	0.000000	0.000000	0.000000	0.0000	0	0
							7,731,282	4,111

8,157

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

PILs Recovered April to December 2004

Rate Class		Fixed Metric	PILs Rate Apr to Dec 2004 **A**	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2004 **B**	PILs Recovered **C = A * B * 9**
Residential		Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW		Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW		Customer	0.000000	0.0000	0	0
Unmetered Scattered Load		Connection	0.000000	0.0000	0	0
Sentinel Lighting		Connection	0.000000	0.0000	0	0
Street Lighting		Connection	0.000000	0.0000	0	0
	0	0	0.000000	0.0000	0	0
					0	0

Rate Class		Vol Metric	PILs Rate Apr to Dec 2004 **A**	Distribution Charge	kWh/kW Billed Apr To Dec 2004 **B**	PILs Recovered **C = A * B**
Residential		kWh	0.000734	0.0097	15,623,698	11,468
General Service Less Than 50 kW		kWh	0.000602	0.0084	7,397,201	4,453
General Service 50 to 4,999 kW		kW	0.001617	1.9359	31,290	51
Unmetered Scattered Load		kWh	0.001296	0.0042	140,777	182
Sentinel Lighting		kW	0.856877	5.4339	14	12
Street Lighting		kW	0.267148	3.7909	864	231
	0	kWh		0.0000		0
					23,193,844	16,397

16,397

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

PILs Recovered January to March 2005

Rate Class		Fixed Metric	PILs Rate Jan To Mar 2005 **A**	Monthly Service Charge	Cust/Conn Billed Jan to Mar 2005 **B**	PILs Recovered **C = A * B * 3**
Residential		Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW		Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW		Customer	0.000000	0.0000	0	0
Unmetered Scattered Load		Connection	0.000000	0.0000	0	0
Sentinel Lighting		Connection	0.000000	0.0000	0	0
Street Lighting		Connection	0.000000	0.0000	0	0
	0	0	0.000000	0.0000	0	0
					0	0

Rate Class		Vol Metric	PILs Rate Jan To Mar 2005 **A**	Distribution Charge	kWh/kW Billed Jan To Mar **B**	PILs Recovered **C = A * B**
Residential		kWh	0.000734	0.0097	5,308,825	3,897
General Service Less Than 50 kW		kWh	0.000602	0.0084	2,457,809	1,480
General Service 50 to 4,999 kW		kW	0.001617	1.9359	10,010	16
Unmetered Scattered Load		kWh	0.001296	0.0042	47,630	62
Sentinel Lighting		kW	0.856877	5.4339	9	8
Street Lighting		kW	0.267148	3.7909	287	77
	0	kWh	0.000000	0.0000		0
					7,824,570	5,539

5,539

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

PILs Recovered April to December 2005

Rate Class		Fixed Metric	PILs Rate Apr to Dec 2005 **A**	Monthly Service Charge	Cust/Conn Billed Apr to Dec 2005 **B**	PILs Recovered **C = A * B * 9**
Residential		Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW		Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW		Customer	0.000000	0.0000	0	0
Unmetered Scattered Load		Connection	0.000000	0.0000	0	0
Sentinel Lighting		Connection	0.000000	0.0000	0	0
Street Lighting		Connection	0.000000	0.0000	0	0
	0	0	0.000000	0.0000	0	0
					0	0

Rate Class		Vol Metric	PILs Rate Apr to Dec 2005 **A**	Distribution Charge	kWh/kW Billed Apr To Dec 2005 **B**	PILs Recovered **C = A * B**
Residential		kWh	0.001179	0.0140	15,926,476	18,777
General Service Less Than 50 kW		kWh	0.000995	0.0122	7,373,526	7,337
General Service 50 to 4,999 kW		kW	0.185906	2.8914	30,029	5,583
Unmetered Scattered Load		kWh	0.002598	0.0312	142,889	371
Sentinel Lighting		kW	1.565576	10.3269	26	41
Street Lighting		kW	0.442994	5.4356	860	381
	0	kWh		0.0000		0
					23,473,806	32,489

32,489

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

PILs Recovered November 2005 to April 2006

Rate Class		Fixed Metric	PILs Rate Jan To Apr 2006 **A**	Monthly Service Charge	Cust/Conn Billed **B**	PILs Recovered **C = A * B * 4**
Residential		Customer	0.000000	0.0000	0	0
General Service Less Than 50 kW		Customer	0.000000	0.0000	0	0
General Service 50 to 4,999 kW		Customer	0.000000	0.0000	0	0
Unmetered Scattered Load		Connection	0.000000	0.0000	0	0
Sentinel Lighting		Connection	0.000000	0.0000	0	0
Street Lighting		Connection	0.000000	0.0000	0	0
	0	0	0.000000	0.0000	0	0
					0	0

Rate Class		Vol Metric	PILs Rate Jan To Apr 2006 **A**	Distribution Charge	kWh/kW Billed Jan To Apr 2006 **B**	PILs Recovered **C = A * B**
Residential		kWh	0.001179	0.0140	8,135,804	9,592
General Service Less Than 50 kW		kWh	0.000995	0.0122	3,212,524	3,196
General Service 50 to 4,999 kW		kW	0.185906	2.8914	13,866	2,578
Unmetered Scattered Load		kWh	0.002598	0.0312	61,368	159
Sentinel Lighting		kW	1.565576	10.3269	17	27
Street Lighting		kW	0.442994	5.4356	380	168
	0	kWh	0.000000	0.0000	0	0
					11,423,959	15,721

15,721

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Total PIL's Recoverd

Rate Class	Fixed Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	Customer	7,179	8,673	2,189	0	0	0	0	18,041
General Service Less Than 50 kW	Customer	3,124	3,798	949	0	0	0	0	7,872
General Service 50 to 4,999 kW	Customer	1,991	3,086	821	0	0	0	0	5,898
Unmetered Scattered Load	Connection	113	136	36	0	0	0	0	285
Sentinel Lighting	Connection	17	19	6	0	0	0	0	41
Street Lighting	Connection	148	178	44	0	0	0	0	370
0	0	0	0	0	0	0	0	0	0
		12,572	15,889	4,046	0	0	0	0	32,507

Rate Class	Vol Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	kWh	6,864	9,307	2,364	11,468	3,897	18,777	9,592	62,270
General Service Less Than 50 kW	kWh	2,983	3,741	939	4,453	1,480	7,337	3,196	24,129
General Service 50 to 4,999 kW	kW	1,978	2,976	720	51	16	5,583	2,578	13,901
Unmetered Scattered Load	kWh	205	268	73	182	62	371	159	1,321
Sentinel Lighting	kW	6	0	2	12	8	41	27	95
Street Lighting	kW	36	0	12	231	77	381	168	905
0	kWh	0	0	0	0	0	0	0	0
		12,073	16,291	4,111	16,397	5,539	32,489	15,721	102,621

Rate Class		PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Mar 2005	PILs Recovered Apr to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential		14,043	17,979	4,554	11,468	3,897	18,777	9,592	80,310
General Service Less Than 50 kW		6,107	7,539	1,889	4,453	1,480	7,337	3,196	32,001
General Service 50 to 4,999 kW		3,968	6,062	1,542	51	16	5,583	2,578	19,799
Unmetered Scattered Load		318	403	109	182	62	371	159	1,605
Sentinel Lighting		23	19	7	12	8	41	27	136
Street Lighting		185	178	57	231	77	381	168	1,276
0		0	0	0	0	0	0	0	0
		24,645	32,180	8,157	16,397	5,539	32,489	15,721	135,128

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Total PIL's Recoverd by Year

Rate Class	Fixed Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Dec 2004	PILs Recovered Jan to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	Customer	7,179	8,673	2,189	0	0	18,041
General Service Less Than 50 kW	Customer	3,124	3,798	949	0	0	7,872
General Service 50 to 4,999 kW	Customer	1,991	3,086	821	0	0	5,898
Unmetered Scattered Load	Connection	113	136	36	0	0	285
Sentinel Lighting	Connection	17	19	6	0	0	41
Street Lighting	Connection	148	178	44	0	0	370
0	0	0	0	0	0	0	0
		12,572	15,889	4,046	0	0	32,507

Rate Class	Vol Metric	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Dec 2004	PILs Recovered Jan to Dec 2005	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	kWh	6,864	9,307	13,832	22,674	9,592	62,270
General Service Less Than 50 kW	kWh	2,983	3,741	5,393	8,816	3,196	24,129
General Service 50 to 4,999 kW	kW	1,978	2,976	771	5,599	2,578	13,901
Unmetered Scattered Load	kWh	205	268	256	433	159	1,321
Sentinel Lighting	kW	6	0	14	48	27	95
Street Lighting	kW	36	0	243	458	168	905
0	kWh	0	0	0	0	0	0
		12,073	16,291	20,508	38,028	15,721	102,621

Rate Class	PILs Recovered Mar to Dec 2002	PILs Recovered Jan to Dec 2003	PILs Recovered Jan to Mar 2004	PILs Recovered Apr to Dec 2004	PILs Recovered Jan to Apr 2006	PILs Recovered Total
Residential	14,043	17,979	16,021	22,674	9,592	80,310
General Service Less Than 50 kW	6,107	7,539	6,342	8,816	3,196	32,001
General Service 50 to 4,999 kW	3,968	6,062	1,592	5,599	2,578	19,799
Unmetered Scattered Load	318	403	292	433	159	1,605
Sentinel Lighting	23	19	19	48	27	136
Street Lighting	185	178	287	458	168	1,276
0	0	0	0	0	0	0
	24,645	32,180	24,554	38,028	15,721	135,128

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Disposition of Balance Recorded in Account 1562 Deferred PILs
To October 31, 2005

Year start:		10/1/2001	1/1/2002	1/1/2003	1/1/2004	1/1/2005	1/1/2006	5/1/2006	1/1/2007	1/1/2008	1/1/2009	1/1/2010	1/1/2011	1/1/2012
Year end:		12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	4/30/2006	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	4/30/2012
Principal Opening balance: # 1562	=		5,020	5,139	1,962	2,970	3,657	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Board-approved PILs tax proxy from	+/-	5,020	26,063	31,083	27,318	38,715	14,311							
True-up Variance Adjustment Q4, 2001[2]	+/-	0						0	0	0	0	0	0	0
True-up Variance Adjustment[3]	+/-		-1,299	-1,411	-1,088	0		0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001[4]	+/-	0						0	0	0	0	0	0	0
Deferral Account Variance Adjustment[5]	+/-		0	-668	-668	0		0	0	0	0	0	0	0
Adjustments to reported prior years'	+/-							0	0	0	0	0	0	0
PILs collected from customers - Proxy[8]	-	0	-24,645	-32,180	-24,554	-38,028	-15,721	0	0	0	0	0	0	0
Principal Ending balance: # 1562		5,020	5,139	1,962	2,970	3,657	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Principal Opening balance: # 1562		0	30	528	786	885	1,254	1,320	1,387	1,494	1,583	1,609	1,627	1,660
Carrying charges[7]	+/-	30	499	257	99	369	66	68	106	90	25	18	33	11
Principal Ending balance: # 1562		30	528	786	885	1,254	1,320	1,387	1,494	1,583	1,609	1,627	1,660	1,671

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

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

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. Per APH entries began October 1, 2001.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C12 and E12.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
(vi) Column M - In 2006, the prorated 2005 PILs tax proxy will used for the period from January 1, 2006 to April 30, 2006.

(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I133, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I182, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I182, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

(7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 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. Input negative number for collections.

(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.

In 2006, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period January 1 to April 30, 2006.

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2001

Month		Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Total
Prescribed Rate		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.00%	7.00%	7.00%	
Monthly Interest		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.59%	0.58%	0.59%	
Principal Opening balance: # 1562	=	0	0	0	0	0	0	0	0	0	0	1,673	3,347	0
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	1,673	1,673	1,673	5,020
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		0	0	0	0	0	0	0	0	0	1,673	3,347	5,020	5,020
Interest on Opening Balance		0	0	0	0	0	0	0	0	0	0	10	20	30
Cummulative Interest This Year		0	0	0	0	0	0	0	0	0	0	10	30	
Cummulative Interest Life to Date		0	0	0	0	0	0	0	0	0	0	10	30	

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2002

Month		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
Prescribed Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	
Monthly Interest		0.59%	0.54%	0.59%	0.58%	0.59%	0.58%	0.59%	0.59%	0.58%	0.59%	0.58%	0.59%	
Principal Opening balance: # 1562	=	5,020	7,084	9,147	8,746	8,346	7,945	7,544	7,143	6,742	6,341	5,940	5,540	5,020
Board-approved PILs tax proxy from Decisions(1)	+/-	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	2,172	26,063
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	(108)	(108)	(108)	(108)	(108)	(108)	(108)	(108)	(108)	(108)	(108)	(108)	(1,299)
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	(2,464)	(2,464)	(2,464)	(2,464)	(2,464)	(2,464)	(2,464)	(2,464)	(2,464)	(2,464)	(24,645)
Principal Ending balance: # 1562		7,084	9,147	8,746	8,346	7,945	7,544	7,143	6,742	6,341	5,940	5,540	5,139	5,139
Interest on Opening Balance		30	38	54	50	50	46	45	42	39	38	34	33	499
Cummulative Interest This Year		30	68	122	173	222	268	313	355	394	432	466	499	
Cummulative Interest Life to Date		59	97	152	202	252	297	342	385	424	461	495	528	

Name of LDC: **Veridian Connections Inc. - Scugog**
OEB Licence Number: **ED-2002-0505**

Calculate Carrying Cost 2003

Month		Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
Prescribed Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	
Monthly Interest		0.59%	0.54%	0.59%	0.58%	0.59%	0.58%	0.59%	0.59%	0.58%	0.59%	0.58%	0.59%	
Principal Opening balance: # 1562	=	5,139	4,874	4,609	4,345	4,080	3,815	3,550	3,285	3,021	2,756	2,491	2,226	5,139
Board-approved PILs tax proxy from Decisions(1)	+/-	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	31,083
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(1,411)
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(668)
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	(2,682)	(2,682)	(2,682)	(2,682)	(2,682)	(2,682)	(2,682)	(2,682)	(2,682)	(2,682)	(2,682)	(2,682)	(32,180)
Principal Ending balance: # 1562		4,874	4,609	4,345	4,080	3,815	3,550	3,285	3,021	2,756	2,491	2,226	1,962	1,962
Interest on Opening Balance		31	26	27	25	24	22	21	20	17	16	14	13	257
Cummulative Interest This Year		31	57	84	109	133	155	176	196	213	230	244	257	
Cummulative Interest Life to Date		559	585	612	637	662	684	705	724	742	758	772	786	

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2004

Month		Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total
Prescribed Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	
Monthly Interest		0.59%	0.56%	0.59%	0.58%	0.59%	0.58%	0.59%	0.59%	0.58%	0.59%	0.58%	0.59%	
Principal Opening balance: # 1562	=	1,962	1,373	784	195	504	812	1,120	1,428	1,737	2,045	2,353	2,662	1,962
Board-approved PILs tax proxy from Decisions(1)	+/-	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	27,318
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(91)	(1,088)
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(56)	(668)
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	(2,719)	(2,719)	(2,719)	(1,822)	(1,822)	(1,822)	(1,822)	(1,822)	(1,822)	(1,822)	(1,822)	(1,822)	(24,554)
Principal Ending balance: # 1562		1,373	784	195	504	812	1,120	1,428	1,737	2,045	2,353	2,662	2,970	2,970
Interest on Opening Balance		12	8	5	1	3	5	7	8	10	12	14	16	99
Cummulative Interest This Year		12	19	24	25	28	33	39	48	58	70	84	99	
Cummulative Interest Life to Date		797	805	810	811	814	818	825	834	844	856	869	885	

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2005

Month		Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total
Prescribed Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	
Monthly Interest		0.59%	0.54%	0.59%	0.58%	0.59%	0.58%	0.59%	0.59%	0.58%	0.59%	0.58%	0.59%	
Principal Opening balance: # 1562	=	2,970	4,350	5,730	7,110	6,726	6,343	5,959	5,575	5,192	4,808	4,424	4,040	2,970
Board-approved PILs tax proxy from Decisions(1)	+/-	3,226	3,226	3,226	3,226	3,226	3,226	3,226	3,226	3,226	3,226	3,226	3,226	38,715
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	(1,846)	(1,846)	(1,846)	(3,610)	(3,610)	(3,610)	(3,610)	(3,610)	(3,610)	(3,610)	(3,610)	(3,610)	(38,028)
Principal Ending balance: # 1562		4,350	5,730	7,110	6,726	6,343	5,959	5,575	5,192	4,808	4,424	4,040	3,657	3,657
Interest on Opening Balance		18	23	34	41	40	36	35	33	30	29	25	24	369
Cummulative Interest This Year		18	41	75	116	156	192	228	261	291	319	345	369	
Cummulative Interest Life to Date		903	926	960	1,001	1,041	1,078	1,113	1,146	1,176	1,205	1,230	1,254	

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2006

Month		Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Total
Prescribed Rate		7.00%	7.00%	7.00%	4.14%	4.14%	4.14%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	
Monthly Interest		0.59%	0.54%	0.59%	0.34%	0.35%	0.34%	0.39%	0.39%	0.38%	0.39%	0.38%	0.39%	
Principal Opening balance: # 1562	=	3,657	3,304	2,952	2,599	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	3,657
Board-approved PILs tax proxy from Decisions(1)	+/-	3,578	3,578	3,578	3,578	0	0	0	0	0	0	0	0	14,311
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	(3,930)	(3,930)	(3,930)	(3,930)	0	0	0	0	0	0	0	0	(15,721)
Principal Ending balance: # 1562		3,304	2,952	2,599	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Interest on Opening Balance		22	18	18	9	8	8	9	9	8	9	8	9	133
Cummulative Interest This Year		22	39	57	66	74	81	90	99	107	116	125	133	
Cummulative Interest Life to Date		1,276	1,294	1,311	1,320	1,328	1,335	1,344	1,353	1,361	1,370	1,379	1,387	

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2007

Month		Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
Prescribed Rate		4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	5.14%	5.14%	5.14%	
Monthly Interest		0.39%	0.35%	0.39%	0.38%	0.39%	0.38%	0.39%	0.39%	0.38%	0.44%	0.42%	0.44%	
Principal Opening balance: # 1562	=	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Interest on Opening Balance		9	8	9	8	9	8	9	9	8	10	9	10	106
Cummulative Interest This Year		9	17	25	34	43	51	60	69	77	87	96	106	
Cummulative Interest Life to Date		1,396	1,404	1,413	1,421	1,430	1,439	1,447	1,456	1,465	1,474	1,484	1,494	

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2008

Month		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
Prescribed Rate		5.14%	5.14%	5.14%	4.08%	4.08%	4.08%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	
Monthly Interest		0.44%	0.41%	0.44%	0.34%	0.35%	0.34%	0.28%	0.28%	0.28%	0.28%	0.28%	0.28%	
Principal Opening balance: # 1562	=	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Interest on Opening Balance		10	9	10	8	8	8	6	6	6	6	6	6	90
Cummulative Interest This Year		10	19	29	36	44	52	58	64	71	77	83	90	
Cummulative Interest Life to Date		1,503	1,513	1,522	1,530	1,538	1,545	1,552	1,558	1,564	1,571	1,577	1,583	

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2009

Month		Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
Prescribed Rate		2.45%	2.45%	2.45%	1.00%	1.00%	1.00%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	
Monthly Interest		0.21%	0.19%	0.21%	0.08%	0.08%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
Principal Opening balance: # 1562	=	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Interest on Opening Balance		5	4	5	2	2	2	1	1	1	1	1	1	25
Cummulative Interest This Year		5	9	14	15	17	19	20	21	22	23	24	25	
Cummulative Interest Life to Date		1,588	1,592	1,597	1,599	1,601	1,602	1,603	1,605	1,606	1,607	1,608	1,609	

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2010

Month		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Prescribed Rate		0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.89%	0.89%	0.89%	1.20%	1.20%	1.20%	
Monthly Interest		0.05%	0.04%	0.05%	0.05%	0.05%	0.05%	0.08%	0.08%	0.07%	0.10%	0.10%	0.10%	
Principal Opening balance: # 1562	=	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Interest on Opening Balance		1	1	1	1	1	1	2	2	2	2	2	2	18
Cummulative Interest This Year		1	2	3	4	5	6	8	10	11	13	16	18	
Cummulative Interest Life to Date		1,610	1,611	1,612	1,613	1,614	1,615	1,617	1,618	1,620	1,622	1,624	1,627	

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2011

Month		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total
Prescribed Rate		1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	
Monthly Interest		0.12%	0.11%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
Principal Opening balance: # 1562	=	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Interest on Opening Balance		3	3	3	3	3	3	3	3	3	3	3	3	33
Cummulative Interest This Year		3	5	8	11	14	16	19	22	25	28	30	33	
Cummulative Interest Life to Date		1,629	1,632	1,635	1,637	1,640	1,643	1,646	1,649	1,651	1,654	1,657	1,660	

Name of LDC: Veridian Connections Inc. - Scugog
OEB Licence Number: ED-2002-0505

Calculate Carrying Cost 2012

Month		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
Prescribed Rate		1.47%	1.47%	1.47%	1.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Monthly Interest		0.12%	0.12%	0.12%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Principal Opening balance: # 1562	=	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Board-approved PILs tax proxy from Decisions(1)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment Q4, 2001(2)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
True-up Variance Adjustment(3)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment Q4, 2001(4)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferral Account Variance Adjustment(5)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to reported prior years' variances(6)	+/-	0	0	0	0	0	0	0	0	0	0	0	0	0
PILs collected from customers - Proxy(8)	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Ending balance: # 1562		2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247	2,247
Interest on Opening Balance		3	3	3	3	0	0	0	0	0	0	0	0	11
Cummulative Interest This Year		3	5	8	11	11	11	11	11	11	11	11	11	
Cummulative Interest Life to Date		1,662	1,665	1,668	1,671	1,671	1,671	1,671	1,671	1,671	1,671	1,671	1,671	

Name of LDC: Veridian Connections Inc. - Scugog

OEB Licence Number: ED-2002-0505

Request for Disposition of 1562 Balance

Principal as of April 30, 2012	2,247
Interest as of April 30, 2012	1,671
Amount Requested for Disposition of 1562 Balance	3,917

File Number:EB-2012-0061

Exhibit: 4
Tab: 1
Schedule: 1

Date Filed: May 01, 2012

Attachment 2 of 2

Updated SIMPILs Models

Disposition of Balance Recorded in Account 1562 D

Distributor	**Veridian Connections Inc. - Scugog**
OEB File Number	**EB-2012-0061**
Filing Year	**2001**

	A	B	C	D	E
1	**PILs TAXES**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Veridian Connections Inc. - Scugog**			Colour Code	
4	**Reporting period: 2001**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	92	days		
7	**Total days in the calendar year:**	365	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	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		100%	
22		LCT		100%	
23					
24	Accounting Year End		Date	31-Dec-01	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory Income**
27	**SHEET #7 FINAL RUD MODEL DATA**				
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			2,000,887	
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			188,554	
42					
43	1999 return from RUD Sheet #7			0	
44					
45	Total Incremental revenue			188,554	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			62,851	62,85
48	Amount allowed in 2002				
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				
50	unless authorized by the Minister and the Board)				
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				
52	Other Board-approved changes to MARR or incremental revenue				
53					
54	**Total Regulatory Income**				62,85
55					
56	Equity			1,000,444	
57					
58	Return at target ROE			98,844	
59					
60	Debt			1,000,444	
61					
62	Deemed interest amount in 100% of MARR			72,532	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			38,281	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			72,532	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			72,532	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
7	**Reporting period: 2001**							
8							**Column**	
9	**Days in reporting period:**	92	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	0		-134,709		-134,709	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	29,381		-2,492		26,889	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				85,229		85,229	
31								
32	***Deductions:*** ***Input positive numbers***							
33	Capital Cost Allowance and CEC	7	8,145		20,076		28,221	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	0		9,593		9,593	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				85,229		85,229	
49								
50	TAXABLE INCOME/ (LOSS)		21,236		(166,870)	Before loss C/F	(145,634)	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%		-19.1200%		0.00%	
54								
55	REGULATORY INCOME TAX		4,060		-4,060	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		4,060		-4,060	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	2,000,887		29,187,804		31,188,691	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		0		29,187,804		26,188,691	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		19,803	**Overpaid**	19,803	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	2,000,887		26,097,185		28,098,072	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		26,097,185		18,098,072	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		10,264		10,264	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		10,264		10,264	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
7	**Reporting period: 2001**							
8							**Column**	
9	**Days in reporting period:**	92	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		19.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	5,020			**Actual 2001**	0	
91	LCT (proxy tax is grossed-up)	23	0			**Actual 2001**	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			**Actual 2001**	0	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	5,020			**Actual 2002**	0	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	0			
121								
122	Income Tax Rate (including surtax) from 2001 Utility's tax return			x	19.12%			
123								
124	Income Tax Effect on True-up adjustments			=	0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				18.00%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				0			
133								
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)			=	21,236			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	19.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	4,060			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	4,060			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	4,060			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
7	**Reporting period: 2001**							
8							**Column**	
9	**Days in reporting period:**	92	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	2,000,887			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	(2,999,113)			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				2,000,887			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	(7,999,113)			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				18.00%			
176								
177	**Income Tax (grossed-up)**			+	0			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	0			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	0			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	0			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				72,532			
194	Interest phased-in (Cell C36)				38,281			
195								
196	Variance due to phase-in of debt component of MARR in rates				34,251			
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)				9,593			
202	Total deemed interest (REGINFO CELL D61)				18,282			
203								
204	Variance caused by excess debt				0			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I110)**				0			
207								
208	**Total Interest Variance**				34,251			
209								
210								
211								

	A	B	C	D	E	F
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
6	**Section A: Identification:**					
7	**Utility Name: Veridian Connections Inc. - Scugog**					
8	**Reporting period: 2001**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		92	days		
12						
13	**Please enter the Materiality Level :**		0	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N	N			
15	**(0.25% x Net Assets)**	Y/N	N			
16	**Or other measure (please provide the basis of the amount)**	Y/N	N			
17	**Does the utility carry on non-wires related operation?**	Y/N	N			
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**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	+	898,771		898,771	
32	Distribution Revenue	+			0	
33	Other Income	+	30,068		30,068	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	889,971		889,971	
40	Administration	-	146,688		146,688	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	26,889		26,889	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46	Municipal property taxes	-			0	
47	Federal LCT	-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	-134,709	0	-134,709	
51	Less: Interest expense for accounting purposes	-	9,593		9,593	
52	Provision for payments in lieu of income taxes	-			0	
53	**Net Income (loss)**	=	-144,302	0	-144,302	
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	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	26,889	0	26,889	
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"***		85,229	0	85,229	
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*		112,118	0	112,118	

	A	B	C	D	E	F
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
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	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	0	0	0	
81						
82	Total Additions	=	112,118	0	112,118	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	28,221		28,221	
98	Cumulative eligible capital deduction	-	0		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"***		85,229	0	85,229	
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	=	113,450	0	113,450	
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	=	113,450	0	113,450	
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	=	-145,634	0	-145,634	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	

	A	B	C	D	E	F
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	(145,634)	0	(145,634)	
140						
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	**Total Income Tax**	=	0	0	0	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
151	Blended Income Tax Rate		0.00%	**********	0.00%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	0		0	
158	Federal Large Corporations Tax	+	0		0	
159						
160	**Total income and capital taxes**	=	0	0	0	
161						
162						

	A	B	C	D	E	F
1	**PILs TAXES**	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: Veridian Connections Inc. - Scugog**					
8	**Reporting period: 2001**					
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	OPEB				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	OPEB				0	
60	Regulatory Reserves				0	
61					0	
62	Insert line above this line					
63	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
64						
65						

	A	B	C	D	E	F
1						
2	**PILs TAXES**	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	**Utility Name: Veridian Connections Inc. - Scugog**					
9	**Reporting period: 2001**					
10	**Number of days in taxation year:**		92			
11	**Materiality Level:**		0			
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		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES**	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	**Utility Name: Veridian Connections Inc. - Scugog**					
9	**Reporting period: 2001**					
10	**Number of days in taxation year:**		92			
11	**Materiality Level:**		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	**PILs TAXES**					
3	**TAX RETURN RECONCILIATION (TAXREC 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: Veridian Connections Inc. - Scugog**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2001**					
12	**Number of days in taxation year:**		92			
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	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	**Ontario capital tax adjustments**	+			0	
41	**Changes in Regulatory Asset balances**	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Election under subsection 12 (1) x	+	85,229		85,229	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	85,229	0	85,229	
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 amorization - 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	Election under subsection 13 (7.4)	-	85,229		85,229	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65		-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	85,229	0	85,229	

	A	B	C	D	E	F
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: Veridian Connections Inc. - Scugog**				**Version 2009.1**	
74						
75						

	A	B	C	D	E	F	G
1	**PILs TAXES**						
2	**Corporate Tax Rates**					**Version 2009.1**	
3	**Exemptions, Deductions, or Thresholds**						
4	**Utility Name: Veridian Connections Inc. - Scugog**						
5	**Reporting period: 2001**						
6							
7						**Table 1**	
8	**Rates Used in 2001 RAM PILs Applications for 2002**						
9	**Income Range**		**0**		**200,001**		
10	**RAM 2002**		**to**		**to**	**>700,000**	
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 2001 and Capital Tax Exemptions 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***	***2001***					
32	***Federal (Includes surtax)***	***2001***	13.12%		26.12%	26.12%	
33	***Ontario***	***2001***	6.00%		6.00%	12.50%	
34	***Blended rate***	***2001***	19.12%		32.12%	38.62%	
35							
36	**Capital Tax Rate**	***2001***	0.300%				
37	**LCT rate**	***2001***	0.225%				
38	**Surtax**	***2001***	1.12%				
39	**Ontario Capital Tax Exemption *** 2001**	**MAX $5MM**	5,000,000				
40	**Federal Large Corporations Tax Exemption *** 2001**	**MAX $10MM**	10,000,000				
41	*****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**						
42							
43						**Table 3**	
44	**Input Information from Utility's Actual 2001 Tax Returns**						
45	**Income Range**		**0**		**200,001**		
46			**to**		**to**	**>700,000**	
47		**Year**	**200,000**		**700,000**		
48	**Income Tax Rate**						
49	***Current year***	***2001***					
50	***Federal (Includes surtax)***		13.12%		28.12%	28.12%	
51	***Ontario***		6.00%		6.00%	12.50%	
52	***Blended rate***		19.12%		34.12%	40.62%	
53							
54	**Capital Tax Rate**		0.300%				
55	**LCT rate**		0.225%				
56	**Surtax**		1.12%				
57	**Ontario Capital Tax Exemption ***	**MAX $5MM**	5,000,000				
58	**Federal Large Corporations Tax Exemption ***	**MAX $10MM**	10,000,000				
59	*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11;**						
60	**federal T2 Schedule 36**						
61							
62							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	**PILs TAXES**															
2	**Analysis of PILs Tax Account 1562:**															
3	**Utility Name: Veridian Connections Inc. - Scugog**														**Version 2009.1**	
4	**Reporting period: 2001**				**Sign Convention: + 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	
12	**Board-approved PILs tax proxy from Decisions (1**	+/-													0	
14	**True-up Variance Adjustment Q4, 2001 (2**	+/-	0												0	
16	**True-up Variance Adjustment (3**	+/-													0	
18	**Deferral Account Variance Adjustment Q4, 2001 (4**	+/-	0												0	
20	**Deferral Account Variance Adjustment (5**	+/-													0	
22	**Adjustments to reported prior years' variances (6**	+/-													0	
23	**Carrying charges (7)**	+/-													0	
25	**PILs billed to (collected from) customers (8**	-	0												0	
26																
27	**Ending balance: # 1562**		0		0		0		0		0		0		0	
28																
29																
30																
31	**Uncollected PILs**															
32																
33	**NOTE:** The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepaye															
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.															
35																
36	**Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:**						Method #3									
37																
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.															
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.															
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.															
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.															
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.															
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.															
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.															
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.															
46																
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be															
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.															
49																
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.															
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.															
52																
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be															
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.															
55																
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.															
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.															
58																
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.															
60																
61	(7) Carrying charges are calculated on a simple interest basis.															
62																
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate															
64	components for Q4, 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															
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.															
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.															
67																
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied															
69	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;															
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,															
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,															
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used															
77	to calculate the recovery for the period January 1 to March 31, 2005.															
78																
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes															
80	will have to include amounts from 1562 and from 1590.															
81																
82																

Disposition of Balance Recorded in Account 1562 D

Distributor	**Veridian Connections Inc. - Scugog**
OEB File Number	**EB-2012-0061**
Filing Year	**2002**

	A	B	C	D	E
1	**PILs TAXES**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Veridian Connections Inc. - Scugog**			Colour Code	
4	**Reporting period: 2002**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**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	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		100%	
22		LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory Income**
27	**SHEET #7 FINAL RUD MODEL DATA**				
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			2,000,887	
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			188,554	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			188,554	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			62,851	62,851
48	Amount allowed in 2002			62,851	62,851
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**				125,702
55					
56	Equity			1,000,444	
57					
58	Return at target ROE			98,844	
59					
60	Debt			1,000,444	
61					
62	Deemed interest amount in 100% of MARR			72,532	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			34,251	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			72,532	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			72,532	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
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								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	89,039		-382,434		-293,395	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	117,523		-5,815		111,708	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	2,500		-2,500		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				209,135		209,135	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	64,562		55,070		119,632	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	34,251		41,353		75,604	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				209,135		209,135	
49								
50	TAXABLE INCOME/ (LOSS)		110,249		(487,172)	Before loss C/F	(376,923)	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%		19.5000%		38.62%	
54								
55	REGULATORY INCOME TAX		21,080		-21,080	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		21,080		-21,080	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	2,000,887		112,850		2,113,737	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		0		112,850		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	**Overpaid**	0	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	2,000,887		112,850		2,113,737	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		112,850		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
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								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		19.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	26,063			**Actual 2002**	0	
91	LCT (proxy tax is grossed-up)	23	0			**Actual 2002**	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			**Actual 2002**	0	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	26,063			**Actual 2002**	0	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-2,500			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			3,072			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-5,572			
121								
122	Income Tax Rate (including surtax) from **2002** Utility's tax return			x	19.12%			
123								
124	Income Tax Effect on True-up adjustments			=	-1,065			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-1,065			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				18.00%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				(1,299)			
133								
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)			=	110,249			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	19.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	21,080			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	21,080			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	21,080			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
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								
150	**Ontario Capital Tax**							
151	Base			=	2,000,887			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	(2,999,113)			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				2,000,887			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	(7,999,113)			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				18.00%			
176								
177	**Income Tax (grossed-up)**			+	0			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	0			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	(1,299)			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	(1,299)			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				72,532			
194	Interest phased-in (Cell C36)				34,251			
195								
196	Variance due to phase-in of debt component of MARR in rates				38,281			
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)				75,604			
202	Total deemed interest (REGINFO CELL D61)				72,532			
203								
204	Variance caused by excess debt				3,072			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I110)**				3,072			
207								
208	**Total Interest Variance**				35,209			
209								
210								
211								

	A	B	C	D	E
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**
4	**0**		**Return**		
5					**Version 2009.1**
6	**Section A: Identification:**				
7	**Utility Name: Veridian Connections Inc. - Scugog**				
8	**Reporting period: 2002**				
9	**Taxation Year's start date:**				
10	**Taxation Year's end date:**				
11	**Number of days in taxation year:**		365	days	
12					
13	**Please enter the Materiality Level :**		0	< - enter materiality level	
14	**(0.25% x Rate Base x CER)**	Y/N	N		
15	**(0.25% x Net Assets)**	Y/N	N		
16	**Or other measure (please provide the basis of the amount)**	Y/N	N		
17	**Does the utility carry on non-wires related operation?**	Y/N	N		
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**				
19					
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K				
21					
22	**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	+	4,096,683		4,096,683
32	Distribution Revenue	+			0
33	Other Income	+	43,278		43,278
34	Miscellaneous income	+			0
35		+			0
36	Revenue should be entered above this line				
37					
38	**Costs and Expenses:**				
39	Cost of energy purchased	-	3,809,387		3,809,387
40	Administration	-	512,261		512,261
41	Customer billing and collecting	-			0
42	Operations and maintenance	-			0
43	Amortization	-	111,708		111,708
44	Ontario Capital Tax	-			0
45	Adjustment To Allowance For Bad Debt per NOA	-			0
46		-			0
47		-			0
48		-			0
49					
50	**Net Income Before Interest & Income Taxes EBIT**	=	-293,395	0	-293,395
51	Less: Interest expense for accounting purposes	-	75,604		75,604
52	Provision for payments in lieu of income taxes	-	0		0
53	**Net Income (loss)**	=	-368,999	0	-368,999
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	+	0	0	0
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	111,708	0	111,708
62	Employee benefit plans-accrued, not paid	+		0	0
63	Tax reserves - beginning of year	+	0	0	0
64	Reserves from financial statements- end of year	+	0	0	0
65	Regulatory adjustments on which true-up may apply (see A66)	+			0

	A	B	C	D	E
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**
4	**0**		**Return**		
5					**Version 2009.1**
66	***Items on which true-up does not apply "TAXREC 3"***		209,135	0	209,135
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*		320,843	0	320,843
71					
72	*Other Additions: (Please explain the nature of the additions)*				
73	Recapture of CCA	+			0
74	Non-deductible meals and entertainment expense	+			0
75	Capital items expensed	+			0
76		+			0
77		+			0
78		+			0
79		+			0
80	*Total Other Additions*	=	0	0	0
81					
82	Total Additions	=	320,843	0	320,843
83					
84	Recap Material Additions:				
85			0	0	0
86			0	0	0
87			0	0	0
88			0	0	0
89			0	0	0
90			0	0	0
91			0	0	0
92	*Total Other additions >materiality level*		0	0	0
93	Other additions (less than materiality level)		0	0	0
94	Total Other Additions		0	0	0
95					
96	BOOK TO TAX DEDUCTIONS:				
97	Capital cost allowance	-	119,632		119,632
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"***		209,135	0	209,135
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	=	328,767	0	328,767
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	=	328,767	0	328,767
123					
124	Recap Material Deductions:				
125			0	0	0
126			0	0	0

	A	B	C	D	E
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**
4	**0**		**Return**		
5					**Version 2009.1**
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	=	-376,923	0	-376,923
135	DEDUCT:				
136	Non-capital loss applied positive number	-			0
137	Net capital loss applied positive number	-			0
138					0
139	NET TAXABLE INCOME	=	(376,923)	0	(376,923)
140					
141	**FROM ACTUAL TAX RETURNS**				
142	Net Federal Income Tax (Must agree with tax return)	+	0		0
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0
144	Subtotal	=	0	0	0
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0
146	**Total Income Tax**	=	0	0	0
147					
148	**FROM ACTUAL TAX RETURNS**				
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%
151	Blended Income Tax Rate		0.00%	**********	0.00%
152					
153	**Section F: Income and Capital Taxes**				
154					
155	**RECAP**				
156	Total Income Taxes	+	0	0	0
157	Ontario Capital Tax	+	0		0
158	Federal Large Corporations Tax	+	0		0
159					
160	**Total income and capital taxes**	=	0	0	0

	A	B	C	D	E	F
1	**PILs TAXES**	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: Veridian Connections Inc. - Scugog**					
8	**Reporting period: 2002**					
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	OPEB				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					0	
60					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	**PILs TAXES**	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	**Utility Name: Veridian Connections Inc. - Scugog**					
9	**Reporting period: 2002**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		0			
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		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES**	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	**Utility Name: Veridian Connections Inc. - Scugog**					
9	**Reporting period: 2002**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	**PILs TAXES**					
3	**TAX RETURN RECONCILIATION (TAXREC 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: Veridian Connections Inc. - Scugog**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2002**					
12	**Number of days in taxation year:**		365			
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	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	**Ontario capital tax adjustments**	+			0	
41	**Changes in Regulatory Asset balances**	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Election under subsection 12 (1) x	+	209,135		209,135	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	209,135	0	209,135	
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 amorization - 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	Election under subsection 13 (7.4)	-	209,135		209,135	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65		-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	

	A	B	C	D	E	F
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: Veridian Connections Inc. - Scugog**				**Version 2009.1**	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	209,135	0	209,135	
74						
75						

PILs TAXES
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds
Utility Name: Veridian Connections Inc. - Scugog
Reporting period: 2002

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

Income Range / RAM 2002		0 to 200,000		200,001 to 700,000	>700,000
	Year				
Income Tax Rate					
Proxy Tax Year	*2002*				
Federal (Includes surtax)		13.12%		26.12%	26.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption **	MAX $10MM	10,000,000			

****Exemption amounts must agree with the Board-approved 2002 RAM PILs filing**

Table 2

Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002

Income Range / Expected Rates		0 to 200,000		200,001 to 700,000	>700,000
	Year				
Income Tax Rate					
Current year	*2002*				
Federal (Includes surtax)	*2002*	13.12%		26.12%	26.12%
Ontario	*2002*	6.00%		6.00%	12.50%
Blended rate	*2002*	19.12%		32.12%	38.62%
Capital Tax Rate	*2002*	0.300%			
LCT rate	*2002*	0.225%			
Surtax	*2002*	1.12%			
Ontario Capital Tax Exemption *** 2002	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *** 2002	MAX $10MM	10,000,000			

*****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**

Table 3

Input Information from Utility's Actual 2002 Tax Returns

Income Range		0 to 200,000		200,001 to 700,000	>700,000
	Year				
Income Tax Rate					
Current year	*2002*				
Federal (Includes surtax)		13.12%		26.12%	26.12%
Ontario		6.00%		6.00%	12.50%
Blended rate		19.12%		32.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *	MAX $10MM	10,000,000			

*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Veridian Connections Inc. - Scugog**														**Version 2009.1**
4	**Reporting period: 2002**				**Sign Convention: + 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		-1,299		-1,299		-1,299		-1,299		0
12	**Board-approved PILs tax proxy from Decisions (1**	+/-											0		0
14	**True-up Variance Adjustment Q4, 2001 (2**	+/-													0
16	**True-up Variance Adjustment (3**	+/-			-1,299										-1,299
18	**Deferral Account Variance Adjustment Q4, 2001 (4**	+/-													0
20	**Deferral Account Variance Adjustment (5**	+/-			0										0
22	**Adjustments to reported prior years' variances (6**	+/-													0
23	**Carrying charges (7)**	+/-													0
25	**PILs billed to (collected from) customers (8**	-	0												0
26															
27	**Ending balance: # 1562**		0		-1,299		-1,299		-1,299		-1,299		-1,299		-1,299

Uncollected PILs

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

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

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
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.

(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.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell 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.

(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.

(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.

(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.

Disposition of Balance Recorded in Account 1562 Deferred PIL

Distributor	**Veridian Connections Inc. - Scugog**
OEB File Number	**EB-2012-0061**
Filing Year	**2003**

	A	B	C	D	E
1	**PILs TAXES**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Veridian Connections Inc. - Scugog**			Colour Code	
4	**Reporting period: 2003**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**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	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	Y	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		100%	
22		LCT		100%	
23					
24	Accounting Year End		Date	31-Dec-03	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory Income**
27	**SHEET #7 FINAL RUD MODEL DATA**				
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			2,000,887	
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			188,554	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			188,554	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			62,851	62,851
48	Amount allowed in 2002			62,851	62,851
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**				125,702
55					
56	Equity			1,000,444	
57					
58	Return at target ROE			98,844	
59					
60	Debt			1,000,444	
61					
62	Deemed interest amount in 100% of MARR			72,532	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			34,251	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			72,532	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			72,532	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
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								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	89,039		-95,158		-6,119	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	117,523		-7,163		110,360	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	2,500		-2,500		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				44,379		44,379	
31								
32	***Deductions:*** ***Input positive numbers***							
33	Capital Cost Allowance and CEC	7	64,562		39,415		103,977	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	34,251		42,035		76,286	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				41,693		41,693	
49								
50	TAXABLE INCOME/ (LOSS)		110,249		(183,585)	Before loss C/F	(73,336)	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%		17.5000%		36.62%	
54								
55	REGULATORY INCOME TAX		21,080		-21,080	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual		
59								
60	**Total Regulatory Income Tax**		21,080		-21,080	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	2,000,887		869,842		2,870,729	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		0		869,842		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	**Overpaid**	0	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	2,000,887		869,842		2,870,729	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		0		869,842		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0			
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
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								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		19.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	26,063			**Actual 2003**	0	
91	LCT (proxy tax is grossed-up)	23	0			**Actual 2003**	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			**Actual 2003**	0	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	26,063			**Actual 2003**	0	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-2,500			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			3,754			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-6,254			
121								
122	Income Tax Rate (including surtax) from **2003** Utility's tax return			x	18.62%			
123								
124	Income Tax Effect on True-up adjustments			=	-1,164			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-1,164			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				17.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				(1,411)			
133								
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)			=	110,249			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)			x	18.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	20,528			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	20,528			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	21,080			
147								
148	Regulatory Income Tax Variance			=	(551)			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
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								
150	**Ontario Capital Tax**							
151	Base			=	2,000,887			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	(2,999,113)			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				2,000,887			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	(7,999,113)			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%			
176								
177	**Income Tax (grossed-up)**			+	(668)			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	(668)			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	(1,411)			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	(2,080)			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				72,532			
194	Interest phased-in (Cell C36)				34,251			
195								
196	Variance due to phase-in of debt component of MARR in rates				38,281			
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)				76,286			
202	Total deemed interest (REGINFO CELL D61)				72,532			
203								
204	Variance caused by excess debt				3,754			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I110)**				3,754			
207								
208	**Total Interest Variance**				34,527			
209								
210								

	A	B	C	D	E	F
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
6	**Section A: Identification:**					
7	**Utility Name: Veridian Connections Inc. - Scugog**					
8	**Reporting period: 2003**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		365	days		
12						
13	**Please enter the Materiality Level :**		0	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N	N			
15	**(0.25% x Net Assets)**	Y/N	N			
16	**Or other measure (please provide the basis of the amount)**	Y/N	N			
17	**Does the utility carry on non-wires related operation?**	Y/N	N			
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**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	+	3,891,988		3,891,988	
32	Distribution Revenue	+			0	
33	Other Income	+	63,200		63,200	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	3,388,947		3,388,947	
40	Administration	-	462,000		462,000	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	$110,360		110,360	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	-6,119	0	-6,119	
51	Less: Interest expense for accounting purposes	-	76,286		76,286	
52	Provision for payments in lieu of income taxes	-			0	
53	**Net Income (loss)**	=	-82,405	0	-82,405	
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	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	110,360	0	110,360	
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"***		44,379	0	44,379	
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*		154,739	0	154,739	
71						
72	*Other Additions: (Please explain the nature of the additions)*					

	A	B	C	D	E	F
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	0	0	0	
81						
82	Total Additions	=	154,739	0	154,739	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	103,977		103,977	
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"***		41,693	0	41,693	
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	=	145,670	0	145,670	
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	=	145,670	0	145,670	
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	=	-73,336	0	-73,336	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	(73,336)	0	(73,336)	
140						

	A	B	C	D	E	F
1	**PILs TAXES**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	0	0	0	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	**********	0.00%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	0		0	
158	Federal Large Corporations Tax	+	0		0	
159						
160	**Total income and capital taxes**	=	0	0	0	
161						
162						

	A	B	C	D	E	F
1	**PILs TAXES**	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: Veridian Connections Inc. - Scugog**					
8	**Reporting period: 2003**					
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	OPEB				0	
48	Other - Please describe				0	
49	Other - Please describe				0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
52						
53	**End of Year:**					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
65						
66						

	A	B	C	D	E	F
1						
2	**PILs TAXES**	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	**Utility Name: Veridian Connections Inc. - Scugog**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		0			
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		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES**	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	**Utility Name: Veridian Connections Inc. - Scugog**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		0			
12						
13						
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						
123						
124						

	A	B	C	D	E	F
1						
2	**PILs TAXES**					
3	**TAX RETURN RECONCILIATION (TAXREC 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: Veridian Connections Inc. - Scugog**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2003**					
12	**Number of days in taxation year:**		365			
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	Imputed interest expense on Regulatory Assets	+			0	
39	Election under subsection 12 (1) x	+	41,693		41,693	
40		+			0	
41		+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Partnership Income	+	2,686		2,686	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	44,379	0	44,379	
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 amorization - 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	Election under subsection 13 (7.4)	-	41,693		41,693	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65	**Ontario capital tax adjustments to current or prior year**	-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	

	A	B	C	D	E	F
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: Veridian Connections Inc. - Scugog**				**Version 2009.1**	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	41,693	0	41,693	
74						

PILs TAXES

Corporate Tax Rates — Version 2009.1

Exemptions, Deductions, or Thresholds

Utility Name: Veridian Connections Inc. - Scugog

Reporting period: 2003

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

Income Range		0 to 200,000		200,001 to 700,000	>700,000
RAM 2002					
	Year				
Income Tax Rate					
Proxy Tax Year	*2002*				
Federal (Includes surtax)		13.12%		26.12%	26.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption **	MAX $10MM	10,000,000			

**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing

Table 2

Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1128000
Expected Rates					
	Year				
Income Tax Rate					
Current year	*2003*				
Federal (Includes surtax)		13.12%	22.12%	22.12%	24.12%
Ontario		5.50%	5.50%	9.75%	12.50%
Blended rate		18.62%	27.62%	31.87%	36.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *** 2003	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *** 2003	MAX $10MM	10,000,000			

***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.

Table 3

Input Information from Utility's Actual 2003 Tax Returns

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1128000
	Year				
Income Tax Rate					
Current year	*2003*				
Federal (Includes surtax)		13.12%	22.12%	22.12%	24.12%
Ontario		5.50%	5.50%	9.75%	12.50%
Blended rate		18.62%	27.62%	31.87%	36.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $5.0MM	5,000,000			
Federal Large Corporations Tax Exemption *	MAX $10MM	10,000,000			

* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36

	A	B	C	D	E	F	G	H	I	J	K
1	**PILs TAXES**										
2	**Analysis of PILs Tax Account 1562:**										
3	**Utility Name: Veridian Connections Inc. - Scugog**										
4	**Reporting period: 2003**				**Sign Convention: + for increase; - for decrease**						
5											
6											
7											
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005
10											
11	**Opening balance:**	=	0		0		0		-2,080		-2,080
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-									
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-									
16	**True-up Variance Adjustment (3)**	+/-					-1,411				
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**	+/-									
20	**Deferral Account Variance Adjustment (5)**	+/-					-668				
22	**Adjustments to reported prior years' variances (6)**	+/-									
23	**Carrying charges (7)**	+/-									
25	**PILs billed to (collected from) customers (8)**	-	0								
26											
27	**Ending balance: # 1562**		0		0		-2,080		-2,080		-2,080

Uncollected PILs

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

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

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
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.

(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.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell 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.

(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.

(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.

(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.

	L	M	N	O
1				
2				
3				**Version 2009.1**
4				**0**
5				
6				
7				
8		1/1/2006		
9		4/30/2006		Total
10				
11		-2,080		0
12				0
14				0
16				-1,411
18				0
20				-668
22				0
23				0
25				0
26				
27		-2,080		-2,080

Disposition of Balance Recorded in Account 1562 Deferred PIL

Distributor	**Veridian Connections Inc. - Scugog**
OEB File Number	**EB-2012-0061**
Filing Year	**2004**

	A	B	C	D	E
1	**PILs TAXES - EB-2008-381**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Veridian Connections Inc. - Scugog**			Colour Code	
4	**Reporting period: 2004**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**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	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		100.0000%	
22		LCT		100.0000%	
23					
24	Accounting Year End		Date	31-Dec-04	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory Income**
27	**SHEET #7 FINAL RUD MODEL DATA**				
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			2,000,887	
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			188,554	
42					
43	1999 return from RUD Sheet #7			0	0
44					
45	Total Incremental revenue			188,554	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			62,851	62,851
48	Amount allowed in 2002			62,851	62,851
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**				125,702
55					
56	Equity			1,000,444	
57					
58	Return at target ROE			98,844	
59					
60	Debt			1,000,444	
61					
62	Deemed interest amount in 100% of MARR			72,532	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			34,251	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			72,532	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			72,532	
71					
72					
73					

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	89,039		371,394		460,433	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	117,523		-5,023		112,500	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	2,500		-2,500		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				12,625		12,625	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	64,562		35,945		100,507	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	34,251		40,600		74,851	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				11,407		11,407	
49								
50	TAXABLE INCOME/ (LOSS)		110,249		288,544	Before loss C/F	398,793	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	19.12%		-19.1200%		0.00%	
54								
55	REGULATORY INCOME TAX		21,080		-21,080	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual		
59								
60	**Total Regulatory Income Tax**		21,080		-21,080	Actual	0	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	2,000,887		389,451		2,390,338	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		0		389,451		0	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		0		0	**Overpaid**	0	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	2,000,887		389,451		2,390,338	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		40,000,000		50,000,000	
77	Taxable Capital		0		40,389,451		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		19.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	26,063			**Actual 2004**	0	
91	LCT (proxy tax is grossed-up)	23	0			**Actual 2004**	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	0			**Actual 2004**	0	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	26,063			**Actual 2004**	0	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-2,500			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			2,319			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-4,819			
121								
122	Income Tax Rate (including surtax) from **2004** Utility's tax return			x	18.62%			
123								
124	Income Tax Effect on True-up adjustments			=	-897			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-897			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				17.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				(1,088)			
133								
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)			=	110,249			
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	18.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	20,528			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	20,528			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	21,080			
147								
148	Regulatory Income Tax Variance			=	(551)			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	2,000,887			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	(2,999,113)			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	0			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				2,000,887			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	(47,999,113)			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-	0			
170	Revised Net LCT			=	0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				17.50%			
176								
177	**Income Tax (grossed-up)**			+	(668)			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	(668)			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	(1,088)			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	(1,756)			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				72,532			
194	Interest phased-in (Cell C36)				34,251			
195								
196	Variance due to phase-in of debt component of MARR in rates				38,281			
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)				74,851			
202	Total deemed interest (REGINFO CELL D61)				72,532			
203								
204	Variance caused by excess debt				2,319			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I110)**				2,319			
207								
208	**Total Interest Variance**				35,962			
209								
210								

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
6	**Section A: Identification:**					
7	**Utility Name: Veridian Connections Inc. - Scugog**					
8	**Reporting period: 2004**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		365	days		
12						
13	**Please enter the Materiality Level :**		0	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N	N			
15	**(0.25% x Net Assets)**	Y/N	N			
16	**Or other measure (please provide the basis of the amount)**	Y/N	N			
17	**Does the utility carry on non-wires related operation?**	Y/N	N			
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**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	+	4,070,097		4,070,097	
32	Distribution Revenue	+			0	
33	Other Income	+	466,811		466,811	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	3,497,682		3,497,682	
40	Administration	-	466,293		466,293	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-			0	
43	Amortization	-	112,500		112,500	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	460,433	0	460,433	
51	Less: Interest expense for accounting purposes	-	74,851		74,851	
52	Provision for payments in lieu of income taxes	-			0	
53	**Net Income (loss)**	=	385,582	0	385,582	
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	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	112,500	0	112,500	
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"***		12,625	0	12,625	
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*		125,125	0	125,125	
71						
72	*Other Additions: (Please explain the nature of the additions)*					

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	0	0	0	
81						
82	Total Additions	=	125,125	0	125,125	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	100,507		100,507	
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"***		11,407	0	11,407	
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	=	111,914	0	111,914	
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	=	111,914	0	111,914	
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	=	398,793	0	398,793	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	398,793		398,793	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	0	0	0	
140						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	0	0	0	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	**********	0.00%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	0		0	
158	Federal Large Corporations Tax	+	0		0	
159						
160	**Total income and capital taxes**	=	0	0	0	
161						
162						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	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: Veridian Connections Inc. - Scugog**					
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					0	
31					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	OPEB				0	
48	Other - Please describe				0	
49	Other - Please describe				0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
52						
53	**End of Year:**					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	0				0	
61	OPEB				0	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
65						
66						
67						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	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	**Utility Name: Veridian Connections Inc. - Scugog**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		0			
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		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	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	**Utility Name: Veridian Connections Inc. - Scugog**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		0			
12						
13						
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-			0	
95		-			0	
96		-			0	
97	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
98		-			0	
99		-			0	
100					0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						
126						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**					
3	**TAX RETURN RECONCILIATION (TAXREC 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: Veridian Connections Inc. - Scugog**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2004**					
12	**Number of days in taxation year:**		365			
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	Imputed interest expense on Regulatory Assets	+			0	
39		+			0	
40	**Ontario capital tax adjustments**	+			0	
41	**Changes in Regulatory Asset balances**	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Partnership Income	+	1,218		1,218	
45	Election under subsection 12 (1) x	+	11,407		11,407	
46		+				
47	**Total Additions on which true-up does not apply**	=	12,625	0	12,625	
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 amorization - 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	Election under subsection 13 (7.4)	-	11,407		11,407	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65		-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	

	A	B	C	D	E	F
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: Veridian Connections Inc. - Scugog**				**Version 2009.1**	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	11,407	0	11,407	
74						
75						
76						

PILs TAXES - EB-2008-381
Corporate Tax Rates
Version 2009.1
Exemptions, Deductions, or Thresholds
Utility Name: Veridian Connections Inc. - Scugog
Reporting period: 2004

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

Income Range		0 to 200,000		200,001 to 700,000	>700,000
RAM 2002					
	Year				
Income Tax Rate					
Proxy Tax Year	*2002*				
Federal (Includes surtax)		13.12%		26.12%	26.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption **	MAX $10MM	10,000,000			

**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing

Table 2

Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Expected Rates					
	Year				
Income Tax Rate					
Current year	*2004*				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.200%			
Surtax		1.12%			
Ontario Capital Tax Exemption *** 2004	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *** 2004	MAX $50MM	50,000,000			

***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.

Table 3

Input Information from Utility's Actual 2004 Tax Returns

Income Range		0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
	Year				
Income Tax Rate					
Current year	*2004*				
Federal (Includes surtax)		13.12%	22.12%	22.29%	22.12%
Ontario		5.50%	5.50%	13.77%	14.00%
Blended rate		18.62%	27.62%	36.06%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.200%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *	MAX $50MM	50,000,000			

* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES - EB-2008-381**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Veridian Connections Inc. - Scugog**														**Version 2009.1**
4	**Reporting period: 2004**				**Sign Convention: + 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		-1,756		-1,756		0
12	**Board-approved PILs tax proxy from Decisions (1**	+/-													0
14	**True-up Variance Adjustment Q4, 2001 (2**	+/-													0
16	**True-up Variance Adjustment (3**	+/-							-1,088						-1,088
18	**Deferral Account Variance Adjustment Q4, 2001 (4**														0
20	**Deferral Account Variance Adjustment (5**	+/-							-668						-668
22	**Adjustments to reported prior years' variances (6**	+/-													0
23	**Carrying charges (7)**	+/-													0
25	**PILs billed to (collected from) customers (8**	-	0												0
26															
27	**Ending balance: # 1562**		0		0		0		-1,756		-1,756		-1,756		-1,756

Uncollected PILs

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

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

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
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.

(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.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell 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.

(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.

(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.

(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.

Disposition of Balance Recorded in Account 1562 D

Distributor	**Veridian Connections Inc. - Scugog**
OEB File Number	**EB-2012-0061**
Filing Year	**2005**

	A	B	C	D	E
1	**PILs TAXES - EB-2008-381**				**Version 200**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Veridian Connections Inc. - Scugog**			Colour Code	
4	**Reporting period: 2005**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**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	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	N	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		100.0000%	
22		LCT		100.0000%	
23					
24	Accounting Year End		Date	31-Dec-05	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulato**
27	**SHEET #7 FINAL RUD MODEL DATA**				**Income**
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			2,000,887	
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			188,554	
42					
43	1999 return from RUD Sheet #7			0	
44					
45	Total Incremental revenue			188,554	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			62,851	6
48	Amount allowed in 2002			62,851	6
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			62,851	6
50	unless authorized by the Minister and the Board)				
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				
52	Other Board-approved changes to MARR or incremental revenue - 1999 Loss Recovery				6
53	3/12 of 1999 Loss Recovery				1
54	**Total Regulatory Income**				27
55					
56	Equity			1,000,444	
57					
58	Return at target ROE			98,844	
59					
60	Debt			1,000,444	
61					
62	Deemed interest amount in 100% of MARR			72,532	
63					
64	Phase-in of interest - Year 1 (2001)			0	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			34,251	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			72,532	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			72,532	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	270,209		-214,661		55,548	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	117,523		-48,551		68,972	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	0		0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				10,311		10,311	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	64,562		-7,765		56,797	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	72,532		-35,113		37,419	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	CDM 2005 incremental OM&A expenses per 2005 PILs model		63,000		-63,000			
45	"Material" Items from "TAXREC" worksheet	12			0		0	
46	Other Deductions (not "Material") "TAXREC"	12			0		0	
47	Material Items from "TAXREC 2" worksheet	12			0		0	
48	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
49	**Items on which true-up does not apply "TAXREC 3"**				52,009		52,009	
50								
51	TAXABLE INCOME/ (LOSS)		187,638		(199,032)	Before loss C/F	(11,394)	
52								
53	BLENDED INCOME TAX RATE							
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	18.62%		-18.6200%		0.00%	
55								
56	REGULATORY INCOME TAX		34,938		-34,938	Actual	0	
57								
58								
59	Miscellaneous Tax Credits	14			0	Actual	0	
60								
61	**Total Regulatory Income Tax**		34,938		-34,938	Actual	0	
62								
63								
64	**II) CAPITAL TAXES**							
65								
66	***Ontario***							
67	Base	15	2,000,887		1,078,190		3,079,077	
68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		6,246,000		13,746,000	
69	Taxable Capital		0		7,324,190		0	
70								
71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
72								
73	Ontario Capital Tax		0		0	**Overpaid**	0	
74								
75	***Federal Large Corporations Tax***							
76	Base	18	2,000,887		28,789,590		30,790,477	
77	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		23,990,839		73,990,839	
78	Taxable Capital		0		52,780,429		0	
79								
80	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0000%		0.1750%	
81								
82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
83	Less: Federal Surtax 1.12% x Taxable Income	21	0		0			
84								
85	Net LCT		0		0		0	
86								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
87	**III) INCLUSION IN RATES**							
88								
89	Income Tax Rate used for gross- up (exclude surtax)		18.62%					
90								
91	Income Tax (proxy tax is grossed-up)	22	42,932			**Actual 2005**	0	
92	LCT (proxy tax is grossed-up)	23	0			**Actual 2005**	0	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	0			**Actual 2005**	678	
94								
95								
96	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	42,932			**Actual 2005**	678	
97	**RAM DECISION**							
98								
99								
100	***IV) FUTURE TRUE-UPS***							
101	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
102	***In Additions:***							
103	Employee Benefit Plans - Accrued, Not Paid	3			0			
104	Tax reserves deducted in prior year	4			0			
105	Reserves from financial statements-end of year	4			0			
106	Regulatory Adjustments	5			0			
107	Other additions "Material" Items TAXREC	6			0			
108	Other additions "Material" Items TAXREC 2	6			0			
109	***In Deductions - positive numbers***							
110	Employee Benefit Plans - Paid Amounts	8			0			
111	Items Capitalized for Regulatory Purposes	9			0			
112	Regulatory Adjustments	10			0			
113	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			0			
114	Tax reserves claimed in current year	4			0			
115	Reserves from F/S beginning of year	4			0			
116	Contributions to deferred income plans	3			0			
117	Contributions to pension plans	3			0			
118	Other deductions "Material" Items TAXREC	12						
119	Other deductions "Material" Item TAXREC 2	12			0			
120								
121	Total TRUE-UPS before tax effect	26		=	0			
122								
123	Income Tax Rate (including surtax) from **2005** Utility's tax return			x	18.62%			
124								
125	Income Tax Effect on True-up adjustments			=	0			
126								
127	Less: Miscellaneous Tax Credits	14			0			
128								
129	Total Income Tax on True-ups				0			
130								
131	Income Tax Rate used for gross-up (exclude surtax)				17.5%			
132								
133	**TRUE-UP VARIANCE ADJUSTMENT**				0			
134								
135	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**							
136								
137	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	187,638			
138								
139	REVISED CORPORATE INCOME TAX RATE (including surtax)			x	18.62%			
140								
141	REVISED REGULATORY INCOME TAX			=	34,938			
142								
143	Less: Revised Miscellaneous Tax Credits			-	0			
144								
145	Total Revised Regulatory Income Tax			=	34,938			
146								
147	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	34,938			
148								
149	Regulatory Income Tax Variance			=	0			
150								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Veridian Connections Inc. - Scugog**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
151	**Ontario Capital Tax**							
152	Base			=	2,000,887			
153	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
154	Revised deemed taxable capital			=	(5,499,113)			
155								
156	Rate - Tab Tax Rates cell C54			x	0.3000%			
157								
158	Revised Ontario Capital Tax			=	0			
159	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	0			
160	Regulatory Ontario Capital Tax Variance			=	0			
161								
162	**Federal LCT**							
163	Base				2,000,887			
164	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
165	Revised Federal LCT			=	(47,999,113)			
166								
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.1750%			
168								
169	Gross Amount				0			
170	Less: Federal surtax			-	0			
171	Revised Net LCT			=	0			
172								
173	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
174	Regulatory Federal LCT Variance			=	0			
175								
176	Actual Income Tax Rate used for gross-up (exclude surtax)				35%			
177								
178	**Income Tax (grossed-up)**			+	0			
179	**LCT (grossed-up)**			+	0			
180	**Ontario Capital Tax**			+	0			
181								
182	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	0			
183								
184	**TRUE-UP VARIANCE (from cell I130)**			+	0			
185								
186	**Total Deferral Account Entry (Positive Entry = Debit)**			=	0			
187	*(Deferral Account Variance + True-up Variance)*							
188								
189								
190								
191	**V) INTEREST PORTION OF TRUE-UP**							
192	**Variance Caused By Phase-in of Deemed Debt**							
193								
194	Total deemed interest (REGINFO)				72,532			
195	Interest phased-in (Cell C36)				34,251			
196								
197	Variance due to phase-in of debt component of MARR in rates				38,281			
198	according to the Board's decision							
199								
200	**Other Interest Variances (i.e. Borrowing Levels**							
201	**Above Deemed Debt per Rate Handbook)**							
202	Interest deducted on MoF filing (Cell K36+K41)				37,419			
203	Total deemed interest (REGINFO CELL D61)				72,532			
204								
205	Variance caused by excess debt				0			
206								
207	**Interest Adjustment for Tax Purposes (carry forward to Cell I110)**				0			
208								
209	**Total Interest Variance**				38,281			
210								
211								
212								

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
6	**Section A: Identification:**					
7	**Utility Name: Veridian Connections Inc. - Scugog**					
8	**Reporting period: 2005**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		365	days		
12						
13	**Please enter the Materiality Level :**		0	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N	N			
15	**(0.25% x Net Assets)**	Y/N	N			
16	**Or other measure (please provide the basis of the amount)**	Y/N	N			
17	**Does the utility carry on non-wires related operation?**	Y/N	N			
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**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	+	1,924,931		1,924,931	
32	Distribution Revenue	+	426,950		426,950	
33	Other Income	+	52,621		52,621	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	1,924,931		1,924,931	
40	Administration	-	227,718		227,718	
41	Customer billing and collecting	-			0	
42	Operations and maintenance	-	127,333		127,333	
43	Amortization	-	68,972		68,972	
44	Ontario Capital Tax	-			0	
45	Reg Assets	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	55,548	0	55,548	
51	Less: Interest expense for accounting purposes	-	37,419		37,419	
52	Provision for payments in lieu of income taxes	-			0	
53	**Net Income (loss)**	=	18,129	0	18,129	
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	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	68,972	0	68,972	
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"***		10,311	0	10,311	
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*		79,283	0	79,283	
71						
72	*Other Additions: (Please explain the nature of the additions)*					

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	0	0	0	
81						
82	Total Additions	=	79,283	0	79,283	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	56,797		56,797	
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"***		52,009	0	52,009	
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	=	108,806	0	108,806	
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	=	108,806	0	108,806	
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	=	-11,394	0	-11,394	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	(11,394)	0	(11,394)	
140						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+			0	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	**Total Income Tax**	=	0	0	0	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	**********	0.00%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	678		678	
158	Federal Large Corporations Tax	+			0	
159						
160	**Total income and capital taxes**	=	678	0	678	
161						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	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: Veridian Connections Inc. - Scugog**					
8	**Reporting period: 2005**					
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	OPEB				0	
48					0	
49					0	
50					0	
51	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
52						
53	**End of Year:**					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60					0	
61					0	
62					0	
63	Insert line above this line					
64	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
65						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	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	**Utility Name: Veridian Connections Inc. - Scugog**					
9	**Reporting period: 2005**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		0			
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		+			0	
42		+			0	
43		+			0	
44		+			0	
45	Scientific Research Expenditures	+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	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	**Utility Name: Veridian Connections Inc. - Scugog**					
9	**Reporting period: 2005**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		0			
12						
13						
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-			0	
95		-			0	
96		-			0	
97	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
98		-			0	
99		-			0	
100					0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**					
3	**TAX RETURN RECONCILIATION (TAXREC 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: Veridian Connections Inc. - Scugog**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2005**					
12	**Number of days in taxation year:**		365			
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	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	**Ontario capital tax adjustments**	+			0	
41	**Changes in Regulatory Asset balances**	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Election under subsection 12 (1) x	+	10,311		10,311	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	10,311	0	10,311	
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 amorization - 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	Correction of prior year carrying charges	-	41,698		41,698	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65		-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69	Election under subsection 13 (7.4)	-	10,311		10,311	
70		-			0	
71		-			0	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	52,009	0	52,009	
74						
75						

PILs TAXES - EB-2008-381

Corporate Tax Rates — Version 2009.1

Exemptions, Deductions, or Thresholds

Utility Name: Veridian Connections Inc. - Scugog

Reporting period: 2005

Table 1

Rates Used in 2005 RAM PILs Applications for 2005

Income Range / RAM 2002	Year	0 to 400,000		400,001 to 1,128,000	>1128000
Income Tax Rate					
Proxy Tax Year	*2005*				
Federal (Includes surtax)		13.12%		17.75%	22.12%
and Ontario blended		5.50%		9.75%	14.00%
Blended rate		18.62%		27.50%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.175%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX $7.5MM	15,000,000			
Federal Large Corporations Tax Exemption **	MAX $50MM	69,392,472			

**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing

Table 2

Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005

Income Range / Expected Rates	Year	0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Income Tax Rate					
Current year	*2005*				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *** 2002	MAX $7.5MM	7,500,000			
Federal Large Corporations Tax Exemption *** 2002	MAX $50MM	50,000,000			

***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.

Table 3

Input Information from Utility's Actual 2005 Tax Returns

Income Range	Year	0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Income Tax Rate					
Current year	*2005*				
Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%
Ontario		5.50%	5.50%	9.75%	14.00%
Blended rate		18.62%	27.62%	31.87%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.175%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $7.5MM	13,746,000			
Federal Large Corporations Tax Exemption *	MAX $50MM	73,990,839			

* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES - EB-2008-381**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Veridian Connections Inc. - Scugog**														**Version 2009.1**
4	**Reporting period: 2005**				**Sign Convention: + 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
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-													0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
16	**True-up Variance Adjustment (3)**	+/-									0				0
18	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
20	**Deferral Account Variance Adjustment (5)**	+/-									0				0
22	**Adjustments to reported prior years' variances (6)**	+/-													0
23	**Carrying charges (7)**	+/-													0
25	**PILs billed to (collected from) customers (8)**	-	0												0
26															
27	**Ending balance: # 1562**		0		0		0		0		0		0		0

Uncollected PILs

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

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

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
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.

(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.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell 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.

(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.

(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.

(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.

File Number:EB-2012-0061

Date Filed:May 01, 2012

Exhibit 4

Tab 2 of 2

Historical Data

Historical Data

Appendix 1 of 6

PILs Proxy Models

	A	B	C	D
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**			
2	**REGULATORY INFORMATION (REGINFO)**			
3				
4	Utility Name:Scugog Hydro Electric Corporation			**Amount**
5	Reporting period: October 1, 2001 - December 31, 2001			
6				
7	**BACKGROUND**			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	Y
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	N
14				
15	Accounting Year End		Date	31-Dec
16				
17	**MARR NO TAX CALCULATIONS**			
18	**SHEET #7 FINAL RUD MODEL DATA**			
19	**(FROM 1999 FINANCIAL STATEMENTS)**			
20	**USE BOARD-APPROVED AMOUNTS**			
21				
22	Rate base (wires-only)			2,000,887
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			188,554
33				
34	1999 return from RUD Sheet #7			0
35				
36	Total Incremental revenue			188,554
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			62,851
40	Amount allowed in 2002, Year 2			62,851
41	Amount allowed in 2003, Year 3			62,851
42				
43	Equity			1,000,444
44				
45	Return at target ROE			98,844
46				
47	Debt			1,000,444
48				
49	Deemed interest amount in EBIT			72,532
50				
51	Phase-in of interest - Year 1			0
52	((D34+D39)/D32)*D49			
53	Phase-in of interest - Year 2			38,281
54	((D34+D39+D40)/D32)*D49			
55	Phase-in of interest - Year 3 (D49)			72,532
56				

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
6												
7	Utility Name: Scugog Hydro Electric Corporation										Column	
8	Reporting period: October 1, 2001 - December 31, 2001										Brought	
9											Forward	
10											From	
11											TAXREC	
12	**I) CORPORATE INCOME TAXES**											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1		1A	0		0	1B	0		0	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	*Additions: To Accounting Income*											
20	Depreciation & Amortization	2		2A	29,381		29,381	2B	-29,381		0	2C
21	Federal Large Corporation Tax	3		3A	0			3B	0		0	3C
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	0			4B	0		0	4C
23	Change in Tax Reserves	5		5A	0			5B	0		0	5C
24	Regulatory Adjustments	6		6A	0			6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0			7B	0		0	7C
27	"Material" Item #2	7		7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	0		0	7C
29	*Deductions: From Accounting Income*											
30	Capital Cost Allowance	8		8A	-8,145		-8,145	8B	8,145		0	8C
31	Employee Benefit Plans - Paid Amounts	9		9A	0			9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
33	Regulatory Adjustments	11		11A	0			11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12		12A	0		0	12B	0		0	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13		13A	0			13B	0		0	13C
37	"Material" Item #2	13		13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0			13B	0		0	13C
39												
40	REGULATORY TAXABLE INCOME		0		21,235		21,235		-21,235		0	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	38.6200%	14A	-19.5000%		19.1200%	14B	19.5000%		38.6200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		0		4,060		4,060		-4,060		0	
48												
49	Miscellaneous Tax Credits	15		15A	0			15B	0			15C
50												
51	**Total Regulatory Income Tax**		0		4,060		4,060		-4,060		0	
52												
53												
54												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
55												
56	**II) CAPITAL TAXES**											
57												
58	*Ontario*											
59	Base	16		16A	2,000,887		2,000,887	16B	-2,000,887		0	16C
60	Less: Exemption	17		17A	-5,000,000		-5,000,000	17B	5,000,000		0	17C
61	Deemed Taxable Capital		0		-2,999,113		-2,999,113		2,999,113		0	
62												
63	Rate (.3%)	18	0.3000%	18A	-0.2250%		0.0750%	18B	0.2250%		0.3000%	18C
64												
65	Net Amount (Taxable Capital x Rate)		0		0		0		0		0	
66												
67	*Federal (LCT)*											
68	Base	19		19A	2,000,887		2,000,887	19B	-2,000,887		0	19C
69	Less: Exemption	20		20A	-10,000,000		-10,000,000	20B	10,000,000		0	20C
70	Deemed Taxable Capital		0		-7,999,113		-7,999,113		7,999,113		0	
71												
72	Rate (.225%)	21	0.2250%	21A	-0.1688%		0.0563%	21B	0.1688%		0.2250%	21C
73												
74	Gross Amount (Taxable Capital x Rate)		0		0		0		0		0	
75	Less: Federal Surtax	22	0	22A	0		0	22B	0		0	22C
76												
77	Net LCT		0		0		0		0		0	
78												
79												
80	**III) INCLUSION IN RATES MARCH 2002**											
81												
82	IncomeTax (grossed-up)	23	0	23A	5,020		5,020	23B	-5,020			n/a
83	LCT (grossed-up)	24	0	24A	0		0	24B	0			n/a
84	Ontario Capital Tax	25	0	25A	0		0	25B	0			n/a
85												
86												
87	***Total S. 93 PILs Rate Adjustment***		0		5,020		5,020		-5,020			
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
91												
92	***IV) FUTURE TRUE-UPS (post June 2002)***								**DR / (CR)**			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							0	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							0	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							0	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							0	True-up-See Below		
109	Other deductions "Material" Item #1	13							0	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	**Deferral Account Entry (Positive Entry=Debit)**								0	True-up		
115												
116												
117	**V) INTEREST PORTION OF TRUE-UP**											
118												
119	**Variance Caused By Phase-in of Deemed Debt**											
120												
121	Total deemed interest (REGINFO CELL D49)								-72,532			
122	Interest phased-in - (Deferral Account Cell G34)								0			
123												
124	Variance due to phase-in of debt stucture								-72,532			
125	according to Rate Handbook											
126												
127	**Other Interest Variances (ie Borrowing Levels**											
128	**Above Deemed Debt per Rate Handbook)**											
129												
130	Interest deducted on MoF filing (Cell K34)								0			
131	Total deemed interest (REGINFO CELL D49)								72,532			
132												
133	Variance caused by excess debt								72,532			
134												
135	**Interest Adjustment for Tax Purposes Cell I108**								0	True-up Amount- Used above		
136												
137	**Total Interest Variance (Cell I34)**								0			
138												

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
7	Utility Name:Scugog Hydro Electric Corporation					
8	Reporting period: October 1, 2001 - December 31, 2001					
9						
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"					
11	Column K					
12	**I) CORPORATE INCOME TAXES**					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue	1			0	
16	Other Income	2			0	
17	Expenses					
18	Administration	3			0	
19	Distribution	4			0	
20	Operations and Maintenance	5			0	
21	Depreciation and Amortization	6			0	
22	Municipal Property Taxes	7			0	
23	Ontario Capital Tax	8			0	
24	Federal LCT	9			0	
25						
26	**Net Income Before Interest & Income Taxes EBIT**	10	0	0	0	1C
27						
28	BOOK TO TAX ADDITIONS:					
29	Depreciation & Amortization		0	0	0	2C
30	Federal Large Corporation Tax		0	0	0	3C
31	Employee benefit plans-accrued, not paid				0	4C
32	Change in tax reserves				0	5C
33	Regulatory adjustments				0	6C
34	Other additions "Material" Item #1				0	7C
35	Other additions "Material" Item #2				0	7C
36			0	0	0	
37	*Other Additions:* **(From T2 S1)**					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees				0	7C
41	Meals and entertainment				0	7C
42	Automobile				0	7C
43	Life insurance premiums				0	7C
44	Company pension plans				0	7C
45	Advertising				0	7C
46	Interest and penalties on taxes				0	7C
47	Legal and accounting fees				0	7C
48	Debt issue expenses				0	7C
49	Capital items expensed				0	7C
50	All crown charges, royalties, rentals				0	7C
51	Deemed dividend income				0	7C
52	Deemed interest on loans to non-residents				0	7C
53	Deemed interest received				0	7C
54	Development expenses claimed				0	7C
55	Dividend stop-loss adjustments				0	7C
56	Dividends credited to investment account				0	7C
57	Investment tax credit				0	7C
58	Financing fees deducted in books				0	7C
59	Foreign accrual property income				0	7C
60	Foreign affiliate property income				0	7C
61						
62	Federal reassessment amounts				0	7C
63	Gain on settlement of debt				0	7C
64	Interest paid on income debentures				0	7C
65	Gain on sale of eligible capital property				0	7C
66	Loss on disposal of assets				0	7C
67	Reserves from financial statements- end of year				0	7C
68	Holdbacks				0	7C
69	Taxable capital gains				0	7C
70	Political donations- book				0	7C
71	Charitable donations- book				0	7C
72	Capitalized interest				0	7C
73	Deferred and prepaid- beginning of year				0	7C
74	Tax reserves deducted in prior year				0	7C
75	Loss from joint ventures				0	7C
76	Loss from subsidiaries				0	7C
77	Limited partnership losses				0	7C
78	Sales tax assessments				0	7C
79	Share issue expenses				0	7C
80	Write-down of capital property				0	7C
81					0	
82	*Other Additions:*				0	7C
83					0	
84	*Total Other Additions*		0	0	0	7C
85						
86	Total Additions		0	0	0	
87						
88	BOOK TO TAX DEDUCTIONS:					
89	Capital cost allowance				0	8C
90	Employee benefit plans-paid amounts				0	9C
91	Items capitalized for regulatory purposes				0	10C
92	Regulatory adjustments				0	11C
93	Interest expense incurred				0	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			0	0	0	
97	*Other deductions:* **(From T2 S1)**					
98	Grossed up Part VI.1 tax (preferred shares)				0	13C
99	Amortization of eligible capital expenditures				0	13C
100	Amortization of debt and equity issue cost				0	13C
101	Loss carryback to prior period				0	13C
102	Contributions to deferred income plans				0	13C
103	Contributions to pension plans				0	13C
104	Income from subsidiaries				0	13C
105	Income from joint ventures				0	13C
106	Gain on disposal of assets				0	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction				0	13C
109	Allowable business investment loss				0	13C
110	Holdbacks				0	13C
111	Deferred and prepaids- end of year				0	13C
112	Tax reserves claimed in current year				0	13C
113	Reserves from F/S- beginning of year				0	13C
114	Patronage dividends				0	13C

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
115	Accrued dividends- current year				0	13C
116	Bad debts				0	13C
117						
118						
119	Exempt income under section 81				0	13C
120	Contributions to environmental trust				0	13C
121	Other income from financial statements				0	13C
122	Charitable donations - tax basis				0	13C
123	Gifts to Canada or a province				0	13C
124	Cultural gifts				0	13C
125	Ecological gifts				0	13C
126	Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
127	Non-capital losses-preceding years				0	13C
128	Net-capital losses- preceding years				0	13C
129	Limited partnership losses- preceding years				0	13C
130	*Other deductions:*				0	13C
131					0	
132					0	
133	*Total Other Deductions*		0	0	0	13C
134						
135	Total Deductions		0	0	0	
136						
137						
138	TAXABLE INCOME		0	0	0	
139						
140						
141						
142						
143						
144	**ONTARIO CAPITAL TAX**					
145						
146	**PAID-UP CAPITAL**					
147						
148	Paid-up capital stock				0	
149	Retained earnings (if deficit, deduct)				0	
150	Capital and other surplus excluding				0	
151	appraisal surplus				0	
152	Loans and advances				0	
153	Bank loans				0	
154	Bankers acceptances				0	
155	Bonds and debentures payable				0	
156	Mortgages payeable				0	
157	Lien notes payable				0	
158	Deferred credits				0	
159	Contingent, investment, inventory and				0	
160	similar reserves				0	
161	Other reserves not allowed as deductions				0	
162	Share of partnership(s), joint venture(s)				0	
163	paid-up capital				0	
164	Sub-total		0	0	0	
165	Subtract:					
166	Amounts deducted for income tax				0	
167	purposes in excess of amounts booked				0	
168	Deductible R&D expenditures and ONTTI				0	
169	costs deferred for income tax				0	
170					0	
171	**Total (Net) Paid-up Capital**		0	0	0	
172						
173	**ELIGIBLE INVESTMENTS**					
174						
175	Bonds, lien notes, interest coupons				0	
176	Mortgages due from other corporations				0	
177	Shares in other corporations				0	
178	Loans and advances to unrelated corporations				0	
179	Eligible loans and advances to related				0	
180	corporations				0	
181	Share of partnership(s) or joint venture(s)				0	
182	eligible investments				0	
183						
184	**Total Eligible Investments**		0	0	0	
185						
186						
187						
188	**TOTAL ASSETS**					
189						
190	Total assets per balance sheet				0	
191	Mortgages or other liabilities deducted from				0	
192	assets				0	
193	Share of partnership(s)/ joint venture(s) total				0	
194	assets				0	
195	Subtract: Investment in partnership(s)/joint				0	
196	venture(s)				0	
197						
198	**Total assets as adjusted**		0	0	0	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and				0	
202	similar reserves				0	
203	Other reserves not allowed as deductions				0	
204	Subtract:				0	
205	Amounts deducted for income tax				0	
206	purposes in excess of amounts booked				0	
207	Deductible R&D expenditures and ONTTI				0	
208	costs deferred for income tax				0	
209	Subtract: Appraisal surplus if booked				0	
210	Add or subtract: Other adjustments		1	1	2	
211						
212	**Total Assets**		1	1	2	
213						
214	**Investment Allowance**					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		0	0	0	
218						
219	**Taxable Capital**					
220						
221	Net paid-up capital		0	0	0	
222	Subtract: Investment Allowance		0	0	0	

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
223					0	
224	Taxable Capital		0	0	0	
225						
226	**Capital Tax Calculation**					
227						
228	Taxable capital		0	0	0	16C
229						
230	Deduction from taxable capital up to $5,000,000				0	17C
231						
232	Net Taxable Capital		0	0	0	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		365	365	365	
237	Divide days by 365		1.0000	1.0000	1.0000	
238						
239	**Ontario Capital Tax**		0	0	0	
240						
241						
242						
243	**LARGE CORPORATION TAX**					
244						
245	**CAPITAL**					
246						
247	ADD:					
248	Reserves that have not been deducted in				0	
249	computing income for the year under Part I				0	
250	Capital stock				0	
251	Retained earnings				0	
252	Contributed surplus				0	
253	Any other surpluses				0	
254	Deferred unrealized foreign exchange gains				0	
255	All loans and advances to the corporation				0	
256	All indebtedness- bonds, debentures, notes,				0	
257	mortgages, bankers acceptances, or similar				0	
258	obligations				0	
259	Any dividends declared but not paid				0	
260	All other indebtedness outstanding for more				0	
261	than 365 days				0	
262						
263	Subtotal		0	0	0	
264						
265	DEDUCT:					
266	Deferred tax debit balance				0	
267	Any deficit deducted in computing				0	
268	shareholders' equity				0	
269	Any patronage dividends 135(1) deducted in				0	
270	computing income under Part I included in				0	
271	amounts above				0	
272	Deferred unrealized foreign exchange losses				0	
273						
274	Subtotal		0	0	0	
275						
276	**Capital for the year**		0	0	0	
277						
278	**INVESTMENT ALLOWANCE**					
279						
280	Shares in another corporation				0	
281	Loan or advance to another corporation				0	
282	Bond, debenture, note, mortgage, or				0	
283	similar obligation of another corporation				0	
284	Long term debt of financial institution				0	
285	Dividend receivable from another corporation				0	
286	Debts of corporate partnerships that were not				0	
287	exempt from tax under Part I.3				0	
288	Interest in a partnership				0	
289						
290	**Investment Allowance**		0	0	0	
291						
292						
293	**TAXABLE CAPITAL**					
294						
295	Capital for the year		0	0	0	
296						
297	Deduct: Investment allowance		0	0	0	
298						
299	Taxable Capital for taxation year		0	0	0	19C
300						
301	Deduct: Capital Deduction $10,000,000				0	20C
302						
303	**Taxable Capital**		0	0	0	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		365	365	365	
308	Divide days by 365		1.0000	1.0000	1.0000	
309						
310	**Gross Part I.3 Tax LCT**		0	0	0	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
315						
316	**Net Part I.3 Tax LCT Payable**		0	0	0	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						

	A	B	C	D
1	**b**			
2	**REGULATORY INFORMATION (REGINFO)**			
3				
4	Utility Name:Scugog Hydro Electric Corporation			**Amount**
5	Reporting period: January 1, 2002 - December 31, 2002			
6				
7	**BACKGROUND**			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	Y
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	N
14				
15	Accounting Year End		Date	31-Dec
16				
17	**MARR NO TAX CALCULATIONS**			
18	**SHEET #7 FINAL RUD MODEL DATA**			
19	**(FROM 1999 FINANCIAL STATEMENTS)**			
20	**USE BOARD-APPROVED AMOUNTS**			
21				
22	Rate base (wires-only)			2,000,887
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			188,554
33				
34	1999 return from RUD Sheet #7			0
35				
36	Total Incremental revenue			188,554
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			62,851
40	Amount allowed in 2002, Year 2			62,851
41	Amount allowed in 2003, Year 3			62,851
42				
43	Equity			1,000,444
44				
45	Return at target ROE			98,844
46				
47	Debt			1,000,444
48				
49	Deemed interest amount in EBIT			72,532
50				
51	Phase-in of interest - Year 1			0
52	((D34+D39)/D32)*D49			
53	Phase-in of interest - Year 2			34,251
54	((D34+D39+D40)/D32)*D49			
55	Phase-in of interest - Year 3 (D49)			72,532
56				

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
6												
7	Utility Name: Scugog Hydro Electric Corporation										Column	
8	Reporting period: January 1, 2002 - December 31, 2002										Brought	
9											Forward	
10											From	
11											TAXREC	
12	**I) CORPORATE INCOME TAXES**											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1	89,039	1A	-89,039				0		0	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	*Additions: To Accounting Income*											
20	Depreciation & Amortization	2	117,523	2A	-117,523			2B	0		0	2C
21	Federal Large Corporation Tax	3		3A	0			3B	0		0	3C
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	0			4B	0		0	4C
23	Change in Tax Reserves	5		5A	0			5B	0		0	5C
24	Regulatory Adjustments	6	2,500	6A	-2,500			6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0			7B	0		0	7C
27	"Material" Item #2	7		7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	0		0	7C
29	*Deductions: From Accounting Income*											
30	Capital Cost Allowance	8	-64,562	8A	64,562			8B	0		0	8C
31	Employee Benefit Plans - Paid Amounts	9		9A	0			9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
33	Regulatory Adjustments	11		11A	0			11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12	-34,251	12A	34,251			12B	0		0	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13		13A	0			13B	0		0	13C
37	"Material" Item #2	13		13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0			13B	0		0	13C
39												
40	REGULATORY TAXABLE INCOME		110,249		-110,249		0		0		0	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	19.1200%	14A	0.0000%		19.1200%	14B	0.0000%		19.1200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		21,080		-21,080		0		0		0	
48												
49	Miscellaneous Tax Credits	15		15A	0			15B	0			15C
50												
51	**Total Regulatory Income Tax**		21,080		-21,080		0		0		0	
52												
53												
54												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
55												
56	**II) CAPITAL TAXES**											
57												
58	*Ontario*											
59	Base	16	2,000,887	16A	-2,000,887			16B	0		0	16C
60	Less: Exemption	17	-5,000,000	17A	5,000,000			17B	0		0	17C
61	Deemed Taxable Capital		-2,999,113		2,999,113		0		0		0	
62												
63	Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B	0.0000%		0.3000%	18C
64												
65	Net Amount (Taxable Capital x Rate)		0		0		0		0		0	
66												
67	*Federal (LCT)*											
68	Base	19	2,000,887	19A	-2,000,887			19B	0		0	19C
69	Less: Exemption	20	-10,000,000	20A	10,000,000			20B	0		0	20C
70	Deemed Taxable Capital		-7,999,113		7,999,113		0		0		0	
71												
72	Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B	0.0000%		0.2250%	21C
73												
74	Gross Amount (Taxable Capital x Rate)		0		0		0		0		0	
75	Less: Federal Surtax	22	0	22A	0		0	22B	0		0	22C
76												
77	Net LCT		0		0		0		0		0	
78												
79												
80	**III) INCLUSION IN RATES MARCH 2002**											
81												
82	IncomeTax (grossed-up)	23	26,063	23A	-26,063		0	23B	0			n/a
83	LCT (grossed-up)	24	0	24A	0		0	24B	0			n/a
84	Ontario Capital Tax	25	0	25A	0		0	25B	0			n/a
85												
86												
87	***Total S. 93 PILs Rate Adjustment***		26,063		-26,063		0		0			
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TAXCALC)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5			$	#	$		$	#	$		$	#
91												
92	***IV) FUTURE TRUE-UPS (post June 2002)***								**DR / (CR)**			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							0	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							0	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							0	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							0	True-up-See Below		
109	Other deductions "Material" Item #1	13							0	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	**Deferral Account Entry (Positive Entry=Debit)**								0	True-up		
115												
116												
117	**V) INTEREST PORTION OF TRUE-UP**											
118												
119	**Variance Caused By Phase-in of Deemed Debt**											
120												
121	Total deemed interest (REGINFO CELL D49)								-72,532			
122	Interest phased-in - (Deferral Account Cell G34)								0			
123												
124	Variance due to phase-in of debt stucture								-72,532			
125	according to Rate Handbook											
126												
127	**Other Interest Variances (ie Borrowing Levels**											
128	**Above Deemed Debt per Rate Handbook)**											
129												
130	Interest deducted on MoF filing (Cell K34)								0			
131	Total deemed interest (REGINFO CELL D49)								72,532			
132												
133	Variance caused by excess debt								72,532			
134												
135	**Interest Adjustment for Tax Purposes Cell I108**								0	True-up Amount- Used above		
136												
137	**Total Interest Variance (Cell I34)**								0			
138												

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
7	Utility Name: Scugog Hydro Electric Corporation					
8	Reporting period: January 1, 2002 - December 31, 2002					
9						
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"					
11	Column K					
12	**I) CORPORATE INCOME TAXES**					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue	1			0	
16	Other Income	2			0	
17	Expenses					
18	Administration	3			0	
19	Distribution	4			0	
20	Operations and Maintenance	5			0	
21	Depreciation and Amortization	6			0	
22	Municipal Property Taxes	7			0	
23	Ontario Capital Tax	8			0	
24	Federal LCT	9			0	
25						
26	**Net Income Before Interest & Income Taxes EBIT**	10	0	0	0	1C
27						
28	BOOK TO TAX ADDITIONS:					
29	Depreciation & Amortization		0	0	0	2C
30	Federal Large Corporation Tax		0	0	0	3C
31	Employee benefit plans-accrued, not paid				0	4C
32	Change in tax reserves				0	5C
33	Regulatory adjustments				0	6C
34	Other additions "Material" Item #1				0	7C
35	Other additions "Material" Item #2				0	7C
36			0	0	0	
37	*Other Additions:* **(From T2 S1)**					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees				0	7C
41	Meals and entertainment				0	7C
42	Automobile				0	7C
43	Life insurance premiums				0	7C
44	Company pension plans				0	7C
45	Advertising				0	7C
46	Interest and penalties on taxes				0	7C
47	Legal and accounting fees				0	7C
48	Debt issue expenses				0	7C
49	Capital items expensed				0	7C
50	All crown charges, royalties, rentals				0	7C
51	Deemed dividend income				0	7C
52	Deemed interest on loans to non-residents				0	7C
53	Deemed interest received				0	7C
54	Development expenses claimed				0	7C
55	Dividend stop-loss adjustments				0	7C
56	Dividends credited to investment account				0	7C
57	Investment tax credit				0	7C
58	Financing fees deducted in books				0	7C
59	Foreign accrual property income				0	7C
60	Foreign affiliate property income				0	7C
61						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
62	Federal reassessment amounts				0	7C
63	Gain on settlement of debt				0	7C
64	Interest paid on income debentures				0	7C
65	Gain on sale of eligible capital property				0	7C
66	Loss on disposal of assets				0	7C
67	Reserves from financial statements- end of year				0	7C
68	Holdbacks				0	7C
69	Taxable capital gains				0	7C
70	Political donations- book				0	7C
71	Charitable donations- book				0	7C
72	Capitalized interest				0	7C
73	Deferred and prepaid- beginning of year				0	7C
74	Tax reserves deducted in prior year				0	7C
75	Loss from joint ventures				0	7C
76	Loss from subsidiaries				0	7C
77	Limited partnership losses				0	7C
78	Sales tax assessments				0	7C
79	Share issue expenses				0	7C
80	Write-down of capital property				0	7C
81					0	
82	*Other Additions:*				0	7C
83					0	
84	*Total Other Additions*		0	0	0	7C
85						
86	Total Additions		0	0	0	
87						
88	BOOK TO TAX DEDUCTIONS:					
89	Capital cost allowance				0	8C
90	Employee benefit plans-paid amounts				0	9C
91	Items capitalized for regulatory purposes				0	10C
92	Regulatory adjustments				0	11C
93	Interest expense incurred				0	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			0	0	0	
97	*Other deductions:* **(From T2 S1)**					
98	Grossed up Part VI.1 tax (preferred shares)				0	13C
99	Amortization of eligible capital expenditures				0	13C
100	Amortization of debt and equity issue cost				0	13C
101	Loss carryback to prior period				0	13C
102	Contributions to deferred income plans				0	13C
103	Contributions to pension plans				0	13C
104	Income from subsidiaries				0	13C
105	Income from joint ventures				0	13C
106	Gain on disposal of assets				0	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction				0	13C
109	Allowable business investment loss				0	13C
110	Holdbacks				0	13C
111	Deferred and prepaids- end of year				0	13C
112	Tax reserves claimed in current year				0	13C
113	Reserves from F/S- beginning of year				0	13C
114	Patronage dividends				0	13C
115	Accrued dividends- current year				0	13C
116	Bad debts				0	13C

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
117						
118						
119	Exempt income under section 81				0	13C
120	Contributions to environmental trust				0	13C
121	Other income from financial statements				0	13C
122	Charitable donations - tax basis				0	13C
123	Gifts to Canada or a province				0	13C
124	Cultural gifts				0	13C
125	Ecological gifts				0	13C
126	Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
127	Non-capital losses-preceding years				0	13C
128	Net-capital losses- preceding years				0	13C
129	Limited partnership losses- preceding years				0	13C
130	*Other deductions:*				0	13C
131					0	
132					0	
133	*Total Other Deductions*		0	0	0	13C
134						
135	Total Deductions		0	0	0	
136						
137						
138	TAXABLE INCOME		0	0	0	
139						
140						
141						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
142						
143						
144	**ONTARIO CAPITAL TAX**					
145						
146	**PAID-UP CAPITAL**					
147						
148	Paid-up capital stock				0	
149	Retained earnings (if deficit, deduct)				0	
150	Capital and other surplus excluding				0	
151	appraisal surplus				0	
152	Loans and advances				0	
153	Bank loans				0	
154	Bankers acceptances				0	
155	Bonds and debentures payable				0	
156	Mortgages payeable				0	
157	Lien notes payable				0	
158	Deferred credits				0	
159	Contingent, investment, inventory and				0	
160	similar reserves				0	
161	Other reserves not allowed as deductions				0	
162	Share of partnership(s), joint venture(s)				0	
163	paid-up capital				0	
164	Sub-total		0	0	0	
165	Subtract:					
166	Amounts deducted for income tax				0	
167	purposes in excess of amounts booked				0	
168	Deductible R&D expenditures and ONTTI				0	
169	costs deferred for income tax				0	
170					0	
171	**Total (Net) Paid-up Capital**		0	0	0	
172						
173	**ELIGIBLE INVESTMENTS**					
174						
175	Bonds, lien notes, interest coupons				0	
176	Mortgages due from other corporations				0	
177	Shares in other corporations				0	
178	Loans and advances to unrelated corporations				0	
179	Eligible loans and advances to related				0	
180	corporations				0	
181	Share of partnership(s) or joint venture(s)				0	
182	eligible investments				0	
183						
184	**Total Eligible Investments**		0	0	0	
185						
186						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
187						
188	**TOTAL ASSETS**					
189						
190	Total assets per balance sheet				0	
191	Mortgages or other liabilities deducted from				0	
192	assets				0	
193	Share of partnership(s)/ joint venture(s) total				0	
194	assets				0	
195	Subtract: Investment in partnership(s)/joint				0	
196	venture(s)				0	
197						
198	**Total assets as adjusted**		0	0	0	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and				0	
202	similar reserves				0	
203	Other reserves not allowed as deductions				0	
204	Subtract:				0	
205	Amounts deducted for income tax				0	
206	purposes in excess of amounts booked				0	
207	Deductible R&D expenditures and ONTTI				0	
208	costs deferred for income tax				0	
209	Subtract: Appraisal surplus if booked				0	
210	Add or subtract: Other adjustments		1	1	2	
211						
212	**Total Assets**		1	1	2	
213						
214	**Investment Allowance**					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		0	0	0	
218						
219	**Taxable Capital**					
220						
221	Net paid-up capital		0	0	0	
222	Subtract: Investment Allowance		0	0	0	
223					0	
224	Taxable Capital		0	0	0	
225						
226	**Capital Tax Calculation**					
227						
228	Taxable capital		0	0	0	16C
229						
230	Deduction from taxable capital up to $5,000,000				0	17C
231						
232	Net Taxable Capital		0	0	0	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		365	365	365	
237	Divide days by 365		1.0000	1.0000	1.0000	
238						
239	**Ontario Capital Tax**		0	0	0	
240						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
241						
242						
243	**LARGE CORPORATION TAX**					
244						
245	**CAPITAL**					
246						
247	ADD:					
248	Reserves that have not been deducted in				0	
249	computing income for the year under Part I				0	
250	Capital stock				0	
251	Retained earnings				0	
252	Contributed surplus				0	
253	Any other surpluses				0	
254	Deferred unrealized foreign exchange gains				0	
255	All loans and advances to the corporation				0	
256	All indebtedness- bonds, debentures, notes,				0	
257	mortgages, bankers acceptances, or similar				0	
258	obligations				0	
259	Any dividends declared but not paid				0	
260	All other indebtedness outstanding for more				0	
261	than 365 days				0	
262						
263	Subtotal		0	0	0	
264						
265	DEDUCT:					
266	Deferred tax debit balance				0	
267	Any deficit deducted in computing				0	
268	shareholders' equity				0	
269	Any patronage dividends 135(1) deducted in				0	
270	computing income under Part I included in				0	
271	amounts above				0	
272	Deferred unrealized foreign exchange losses				0	
273						
274	Subtotal		0	0	0	
275						
276	**Capital for the year**		0	0	0	
277						
278	**INVESTMENT ALLOWANCE**					
279						
280	Shares in another corporation				0	
281	Loan or advance to another corporation				0	
282	Bond, debenture, note, mortgage, or				0	
283	similar obligation of another corporation				0	
284	Long term debt of financial institution				0	
285	Dividend receivable from another corporation				0	
286	Debts of corporate partnerships that were not				0	
287	exempt from tax under Part I.3				0	
288	Interest in a partnership				0	
289						
290	**Investment Allowance**		0	0	0	
291						

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
292						
293	**TAXABLE CAPITAL**					
294						
295	Capital for the year		0	0	0	
296						
297	Deduct: Investment allowance		0	0	0	
298						
299	Taxable Capital for taxation year		0	0	0	19C
300						
301	Deduct: Capital Deduction $10,000,000				0	20C
302						
303	**Taxable Capital**		0	0	0	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		365	365	365	
308	Divide days by 365		1.0000	1.0000	1.0000	
309						
310	**Gross Part I.3 Tax LCT**		0	0	0	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
315						
316	**Net Part I.3 Tax LCT Payable**		0	0	0	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						

SECTION 93 PILs TAX GROSS-UP	PROXY CALCULATION FOR 2005	PILS2005.V1.1

REGULATORY INFORMATION (REGINFO)

Utility Name:	Scugog Hydro Energy Corporation	
File Number:	RP-2005-0013	
	EB-2005-0096	
Reporting period:	January 1, 2005- December 31, 2005	
Days in reporting period:	365	
Total days in the calendar year:	365	

BACKGROUND

1. Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group? (Yes or No)	n	
2. Please identify the percentage used to allocate the exemption.		
3. Please explain the basis of the allocation if the percentage is other than 100%.		
4. Accounting Year End	31-Dec	

MARR NO TAX CALCULATIONS
FROM SHEET #7 FINAL 2001 RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)

Rate base (wires-only)	$2,000,887.00		
Common Equity Ratio (CER)	50.00%		
1-CER	50.00%		
Target Return On Equity (%)	9.88%		
Debt rate	7.25%		
			Regulatory Income
Market Adjusted Revenue Requirement	$188,554		
1999 return from RUD Sheet #7	$0		$0
Total Incremental revenue	$188,554		
	Based on Board's Decision (RP-2000-0069)	*Board-Approved Amounts*	
Amount allowed in 2001, Year 1	$62,851	$62,851	$62,851
Amount allowed in 2002, Year 2	$62,851	$62,851	$62,851
Amount allowed in 2003, Year 3	$62,851	$62,851	$62,851
Permanent Changes to Base Rate *(e.g. LPP 5% to 1.5%)*		1999 Loss Recovery	$65,325
C&DM Capital Portion from "C&DM TAX FORECAST" worksheet	0%	3/12 of 1999 Loss Rec	$16,331
Total Regulatory Income			$270,209
Equity	$1,000,444		
Return at target ROE	$98,844		
Debt	$1,000,444		
Deemed interest amount in EBIT	$72,532		

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: Scugog Hydro Energy Corporation Reporting Period: January 1, 2005- December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
I) CORPORATE INCOME TAXES			
Regulatory Net Income	1	**$270,209**	
BOOK TO TAX ADJUSTMENTS			
Additions:			
Depreciation & Amortization	2	**$117,523**	
Employee Benefit Plans - Accrued, Not Paid	3	$0	
Tax reserves deducted in prior year	4	$0	
Reserves from financial statements-end of year	4	$0	
Regulatory Adjustments	5	$0	
Other Additions			
"Material" Items	6	$0	
Other Additions	6	$0	
"Material Items	6	$0	
Other Additions	6	$0	
Deductions:			
Capital Cost Allowance and CEC	7	**$64,562**	
Employee Benefit Plans - Paid Amounts	8	$0	
Items Capitalized for Regulatory Purposes	9	$0	
Regulatory Adjustments	10	$0	
Interest Expense Deemed	11	**$72,532**	
Tax reserves claimed in current year	4	$0	
Reserves from F/S beginning of year	4	$0	
Contributions to deferred income plans	3	$0	
Contributions to pension plans	3	$0	
Interest capitalized for accounting but deducted for tax	11	$0	
Other Deductions			
"Material" Items	12	$0	
C&DM 2005 Incremental OM&A expenses per C&DM Plan	12	**$63,000**	
Material Items	12	$0	
Other Deductions	12	$0	
REGULATORY TAXABLE INCOME		**$187,638**	
CORPORATE INCOME TAX RATE			
Deemed %	13	18.62%	
REGULATORY INCOME TAX Taxable Income x Rate		$34,938	
Miscellaneous Tax Credits	14	$0	
Total Regulatory Income Tax		**$34,938**	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: Scugog Hydro Energy Corporation Reporting Period: January 1, 2005- December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
Percentage used to determine the exemptions for capital tax and large corporations tax		0%	
II) CAPITAL TAXES			
Ontario			
Rate Base	15	$2,000,887	
Less: Exemption	16	$7,500,000	
Deemed Taxable Capital		$0	
Rate (.3%)	17	0.3000%	
Net Amount (Taxable Capital x Rate)		**$0**	
Federal (LCT)			
Base	18	$2,000,887	
Less: Exemption	19	$50,000,000	
Deemed Taxable Capital		$0	
Rate (.175%)	20	0.1750%	
Gross Amount (Taxable Capital x Rate)		$0	
Less: Federal Surtax	21	$0	
Net LCT		**$0**	
III) INCLUSION IN RATES			
Income Tax Rate used for gross- up		18.62%	
Income Tax (grossed-up)	22	$42,932	
LCT (grossed-up)	23	$0	
Ontario Capital Tax	24	$0	
Total S. 93 PILs Rate Adjustment ***(Enter this amount in the 2005 RAM, Sheet #4, cell G14)***	**25**	**$42,932**	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"

Corporate Tax Rates for 2005

Income Range	$0 to $400,000	$400,001 to $1,128,000	> $1,128,000
Income Tax Rate	18.62%	27.50%	36.12%
Capital Tax Rate	0.300%		
LCT Rate	0.175%		
Surtax	1.12%		
Ontario Capital Tax Exemption	$7,500,000		
Federal Large Corporations Tax Exemption	$50,000,000		

Conservation and Demand Management Tax Forecast

Utility Name: **Scugog Hydro Energy Corporation**
File Number: **RP-2005-0013**
EB-2005-0096

	Jan - Dec 2005		Jan - Dec 2006		Jan - Sept 30th 2007		Total	
	$	%	$	%	$	%	$	%
Capital	$0	0%	$0				**$0**	0%
Tax Deductible Expense	$63,000	100%	$0		$0		**$63,000**	100%
Total	**$63,000**	**100%**	**$0**	**0%**	**$0**	**0%**	**$63,000**	**100%**

Notes:

1. Capital that will be recognized for tax purposes (i.e. UCC addition), not from a capital budget or commitment perspective.

2. Expenses to be recognized in the period shown that will be used as a tax deduction for the same period. The 2005 tax dedu expense amount will be entered automatically into the TAXCALC worksheet, cell C44.

3. The amounts shown in the "Total" column should agree with the C&DM plan filed with or approved by the Board. The amount of the third tranche of MARR is the maximum amount unless the utility has applied for a lower amount.

Appendix 2 of 6

OEB Board Decisions

Ontario Energy Board
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Ontario

BY PRIORITY POST

2002 March 20

Terry Adderley
President
Scugog Hydro Energy Corporation
100 Taunton Rd East
P.O. Box 59
Whitby., ON
L1N 5R8

Dear Mr. Adderley:

Re: Scugog Hydro Energy Corporation
Market Adjusted Rate of Return (MARR) Application
Board File No. RP-2002-0065/EB-2002-0074

The Board has today issued its Decision and Order in the above matter and an executed copy is enclosed herewith.

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

O:\RP-2002-0065\EB-2002-0074\PUBLIC\ORDERS\Scugog Hydro MARR_D&O_ltr.wpd

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2002-0065
EB-2002-0074

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

AND IN THE MATTER OF an Application by Scugog Hydro Energy Corporation for an order or orders approving or fixing just and reasonable rates.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

George Dominy
Vice Chair and Member

DECISION AND ORDER

On December 21, 2001 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. Supplemental instructions were issued on January 18, 2002.

Scugog Hydro Energy Corporation ("the Applicant") filed an Application ("the Application"), dated January 25, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002 and August 1, 2002.

The Applicant filed a revised application ("the Revised Application") dated March 14, 2002.

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and providing the opportunity for ratepayers to participate in the proceeding or comment on the utility's application. In response to the Board's generic Notice, the Board received a total of 148 submissions in the form of a letter, facsimile, or e-mail. The total may be apportioned to the following four categories:

- 100 were copies of a template submission seeking an oral hearing, wanting to make oral submissions, claiming that rates are not just and reasonable. Another 9 were of the same template but indicated they did not wish to make an oral submission.

- 10 indicated that there should be an oral hearing and wanted to make a submission.

- 11 indicated that there should be an oral hearing but did not wish to make an oral submission.

- 18 made substantive submissions.

In some cases the submission named a specific electricity distributor, in other cases it did not. The Applicant was not named in any of the submissions.

By letter dated February 11, 2002 the Board directed electricity distributors to serve the Notice to the municipal corporation in the distributors' service area. No submissions were received.

The Applicant applied to adjust its distribution rates effective March 1, 2002 for the following:

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.
- the 2001 deferred Payments in Lieu of Taxes (PILs), $5,020.
- the 2002 Payments in Lieu of Taxes (PILs), $41,506.

The Applicant also applied to adjust its distribution rates effective August 1, 2002 for the following:

- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), $62,851.
- an interim transition cost recovery of $2,500.
- a provision to recover the net loss in 1999, $65,325.

Copies of the Application and supporting material are available for review at the Board's offices.

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

Board Findings

As noted above, a number of persons have written to the Board requesting that the Board hold an oral hearing in the matter of the applications by electricity distributors.

Under subsection 5.1(2) of the *Statutory Powers Procedure Act*, the Board shall not hold a written hearing where a party satisfies it that there is good reason not to hold a written hearing, in which case the Board will proceed by way of an oral or electronic hearing. Good reasons for proceeding by way of an oral hearing may include the existence of questions of credibility in which the Board will be assisted by the ability to observe the demeanor of witnesses or the complexity of evidence which parties should have the ability to test through cross-examination. Another good reason may be where an oral hearing would allow the Board to more expeditiously deal with an application.

The persons who have requested an oral hearing have not cited any such reasons but have in most cases merely stated that "the rates are not just and reasonable" and that they "would like the opportunity to present to the Board on this matter".

The current proceeding is an extension of the process undertaken by the Board to restructure Ontario's electricity distribution industry. To facilitate this work, the Board developed a regulatory framework that was the result of extensive consultation and public hearings. The current applications are the result of this framework, which is largely formulaic and includes for the first time the provision for the legislative requirement of PILs.

Persons have received an opportunity to make their concerns known to the Board through the published Notice which invited written submissions on the applications. The Board notes that a written hearing is a public process in which all documents received by the Board are available to the public. The Board further notes that most of the issues raised by the submissions of the persons requesting an oral hearing are outside of the scope of the Board's jurisdiction in this proceeding. For example, some persons raised issues of privatization of electricity services and limitations in international trade agreements on the ability of the government to make changes to Ontario's electricity system in the future. These are not relevant to the Board's duty in this proceeding to approve just and reasonable rates for an individual distributor regulated by the Board.

Therefore, the Board has decided not to hold an oral hearing in this matter.

The Applicant requested recovery of a net loss in 1999 of $65,325. The Board finds this proposal to be contrary to generally accepted regulatory principles established in the setting of rates for electricity distributors in Ontario and the specific provisions in the Rate Handbook. The Board denies the Applicant's request. As a result of this disallowance, the 2002 Payments in Lieu of Taxes (PILs) are adjusted to correct for an overstatement of $15,443.

Subject to these adjustments, the Board finds that the Applicant's proposals in the Revised Application conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

THE BOARD ORDERS THAT:

1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.

2) The rates set out in Appendix "B" of this Order are approved effective August 1, 2002.

3) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

DATED at Toronto, March 20, 2002.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2002-0065
EB-2002-0074

March 20, 2002

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Scugog Hydro Energy Corp.
Schedule of Rates and Charges
Effective March 1, 2002

RP-2002-0065
EB-2002-0074

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31
Summer: All Hours, April 1 through September 30
Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.
Off Peak: All Other Hours.

Cost of Power rates valid only until subsection 26(1) of the Electricity Act, 1998 comes into effect.

RESIDENTIAL

Monthly Service Charge	(per month)	$6.04
Distribution Volumetric Rate	(per kWh)	$0.0075
Cost of Power Rate	(per kWh)	$0.0762

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$15.20
Distribution Volumetric Rate	(per kWh)	$0.0063
Cost of Power Rate	(per kWh)	$0.0751

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$143.20
Distribution Volumetric Rate	(per kW)	$1.1479
Cost of Power Demand Rate	(per kW)	$8.0105
Cost of Power Energy Rate	(per kWh)	$0.0526

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$1.79
Distribution Volumetric Rate	(per kW)	$4.7627
Cost of Power Demand Rate	(per kW)	$23.3957

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$0.40
Distribution Volumetric Rate	(per kW)	$2.9236
Cost of Power Demand Rate	(per kW)	$23.3871

UNMETERED SCATTERED LOADS

Monthly Service Charge	(per month)	$9.39
Distribution Volumetric Rate	(per kWh)	$0.0194
Cost of Power Rate	(per kWh)	$0.0710

SPECIFIC SERVICE CHARGES

New Account Setup		$9.00
Arrear's Certificate		$12.70
Dispute Involvement Charge		$10.00
Late Payment Charge	(per month)	1.50%
	(per annum)	19.56%
Returned Cheque (plus actual bank charges)		$9.00
Collection of Account Charge		$9.00
Disconnect/Reconnect Service		
For Reasons Other Than Safety		$50.00
Disconnect/Reconnect Service (non payment of account)		
At Meter - During Regular Hours		$20.00
At Meter - After Regular Hours		$50.00
Service Calls		
- During Regular Hours		$17.00
- After Regular Hours		$26.80
Temporary Pole Service		$200.00
Diversity Adjustment Credit (per KW)	Winter	$2.29
(discontinued at Market Opening)	Summer	$1.68
Transformer Ownership Credit (per kW of billing demand for transformation that meets utility transformer loss specifications)		$0.60
Primary Metering Loss	(kW and kWh billed)	1%

Appendix "B"

RP-2002-0065
EB-2002-0074

March 20, 2002

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Scugog Hydro Energy Corp.
Schedule of Rates and Charges
Effective August 1, 2002

RP-2002-0065
EB-2002-0074

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31
Summer: All Hours, April 1 through September 30
Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.
Off Peak: All Other Hours.

Cost of Power rates valid only until subsection 26(1) of the Electricity Act, 1998 comes into effect.

RESIDENTIAL

Monthly Service Charge	(per month)	$6.84
Distribution Volumetric Rate	(per kWh)	$0.0085
Cost of Power Rate	(per kWh)	$0.0762

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$17.22
Distribution Volumetric Rate	(per kWh)	$0.0072
Cost of Power Rate	(per kWh)	$0.0751

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$162.24
Distribution Volumetric Rate	(per kW)	$1.3004
Cost of Power Demand Rate	(per kW)	$8.0105
Cost of Power Energy Rate	(per kWh)	$0.0526

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$2.03
Distribution Volumetric Rate	(per kW)	$5.3943
Cost of Power Demand Rate	(per kW)	$23.3957

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$0.45
Distribution Volumetric Rate	(per kW)	$3.3118
Cost of Power Demand Rate	(per kW)	$23.3871

UNMETERED SCATTERED LOADS

Monthly Service Charge	(per month)	$10.64
Distribution Volumetric Rate	(per kWh)	$0.0220
Cost of Power Rate	(per kWh)	$0.0710

SPECIFIC SERVICE CHARGES

New Account Setup		$9.00
Arrear's Certificate		$12.70
Dispute Involvement Charge		$10.00
Late Payment Charge	(per month)	1.50%
	(per annum)	19.56%
Returned Cheque (plus actual bank charges)		$9.00
Collection of Account Charge		$9.00
Disconnect/Reconnect Service		
For Reasons Other Than Safety		$50.00
Disconnect/Reconnect Service (non payment of account)		
At Meter - During Regular Hours		$20.00
At Meter - After Regular Hours		$50.00
Service Calls		
- During Regular Hours		$17.00
- After Regular Hours		$26.80
Temporary Pole Service		$200.00
Diversity Adjustment Credit (per KW)	Winter	$2.29
(discontinued at Market Opening)	Summer	$1.68
Transformer Ownership Credit		
(per kW of billing demand for transformation that meets utility transformer loss specifications)		$0.60
Primary Metering Loss	(kW and kWh billed)	1%

Ontario Energy Board
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Ontario

2004 March 19

Terry Adderley
President
Scugog Hydro Electric Corporation
100 Taunton Road East
Whitby ON
L1N 5R8

Dear Mr. Adderley:

Re: **Scugog Hydro - Rates and Charges - RP-2004-0091/EB-2004-0077**

Attached please find a corrected Interim Rates Schedule replacing the schedule issued to Scugog Hydro with the Decision and Order. Should you have any questions on this matter, contact Harold Theissen, Senior Advisor at 416-440-7637.

Yours truly,

Peter H. O'Dell
Acting Board Secretary

c: Intervenors of Record

att:

Interim Rates
Scugog Hydro Electricity Corporation
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2004
Implementation Date: April 1, 2004

RP-2004-0091
EB-2004-0077

RESIDENTIAL

Monthly Service Charge	(per month)	$	6.84
Distribution Volumetric Rate	(per kWh)	$	0.0097

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$	17.22
Distribution Volumetric Rate	(per kWh)	$	0.0084

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$	162.24
Distribution Volumetric Rate	(per kW)	$	1.9359

UNMETERED SCATTERED LOAD

Monthly Service Charge	(per month)	$	10.64
Distribution Volumetric Rate	(per kWh)	$	0.0221

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$	2.03
Distribution Volumetric Rate	(per kW)	$	5.4339

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$	0.45
Distribution Volumetric Rate	(per kW)	$	3.7909

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Télécopieur: (416) 440-7656

Ontario

March 11, 2004

Terry Adderley
President
Scugog Hydro Electric Corporation
100 Taunton Road East
Whitby ON
L1N 5R8

Dear Mr. Adderley:

Re: Distribution Rate Application
Board Decision and Order and Interim Rate Schedule

Attached is the Board's Decision and Order and Interim Rate Schedule with respect to your company's distribution rate application regarding the partial recovery of Regulatory Assets.

Yours truly,

Peter H. O'Dell
Assistant Secretary

cc. Intervenors of record

RP-2004-0091
EB-2004-0077

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

AND IN THE MATTER OF an Application by Scugog Hydro Electric Corporation for an order or orders approving or fixing just and reasonable rates.

BEFORE: Bob Betts
Presiding Member

Paul Vlahos
Member

DECISION AND ORDER

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

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

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

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

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

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

THE BOARD ORDERS THAT:

1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.

2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, March 11, 2004

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Secretary

Interim Rates RP-2004-0091

Scugog Hydro Electricity Corporation EB-2004-0077

Schedule of Changed Distribution Rates and Charges

Effective Date: March 1, 2004

Implementation Date: April 1, 2004

RESIDENTIAL

Monthly Service Charge	(per month)	$	6.84
Distribution Volumetric Rate	(per kWh)	$	0.0097

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$	17.22
Distribution Volumetric Rate	(per kWh)	$	0.0084

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$	162.24
Distribution Volumetric Rate	(per kW)	$	1.9359

UNMETERED SCATTERED LOAD

Monthly Service Charge	(per month)	$	10.64
Distribution Volumetric Rate	(per kWh)	$	0.0042

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$	2.03
Distribution Volumetric Rate	(per kW)	$	5.4339

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$	0.45
Distribution Volumetric Rate	(per kW)	$	3.7909

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Ontario

BY PRIORITY POST

March 22, 2005

Terry Adderley
President
Scugog Hydro Electric Corporation
100 Taunton Road East
Whitby ON
L1N 5R8

Dear Mr Adderley:

Re: 2005 Electricity Distribution Rates
Board Decision and Order
Board File No. RP-2005-0013\EB-2005-0072

The Board has now issued its Decision and Order for the above referenced proceeding and a copy is enclosed

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2005-0013
EB-2005-0072

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

AND IN THE MATTER OF an Application by **Scugog Hydro Energy Corporation** for an order or orders approving or fixing just and reasonable rates.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

Paul Vlahos
Member

Pamela Nowina
Member

DECISION AND ORDER

Background and Application

In November 2003 the Ontario government announced that it would permit local distribution companies to apply to the Board for the next installment of their allowable return on equity beginning March 1, 2005. The Government also indicated that the Board's approval would be conditional on a financial commitment to reinvest in conservation and demand management initiatives, an amount equal to one year's incremental returns.

Also in November 2003, the Government announced, in conjunction with the introduction of Bill 4, the *Ontario Energy Board Amendment Act, (Electricity Pricing), 2003*, that electricity distributors could start recovering Regulatory Assets in their rates, beginning March 1, 2004, over a four year period.

In February and March, 2004, the Board approved the applications of distributors to recover 25% of their December 31, 2002 Regulatory Asset balances (or additional amounts for rate stability) in their distribution rates on an interim basis effective March 1, 2004 and implemented on April 1, 2004.

On December 20, 2004 the Board issued filing guidelines to all electricity distribution utilities for the April 1, 2005 distribution rate adjustments. The guidelines allowed the applicants to recover three types of costs. These costs concern (i) the rate recovery of the third tranche of the allowable return on equity (Market Adjusted Revenue Requirement or "MARR"), (ii) the 2005 proxy allowance for payments in lieu of taxes ("PILs") and (iii) a second installment of the recovery of Regulatory Assets.

A generic Notice of the proceedings was published on January 25, 2005 in major newspapers in the province, which provided a 14 day period for submissions from interested parties. On February 4, 2005, the Board issued Procedural Order No. 1, providing for an extension for submissions until February 16, 2005 and also providing for reply submissions from applicants and other parties.

The Applicant filed an application for adjustments to their rates for the following amounts:

MARR: $ 62,851
2005 PILs Proxy: $ 42,932
Regulatory Assets Second Tranche: $ 127,868

The Applicant also included an amount of $16,331 to account for the delay in implementing a distribution rate adjustment previously approved by the Board in RP-2004-0201/EB-2004-0406. In that decision (issued on December 3, 2004) the Board stated, "...the Applicant may file for recovery of the revenue foregone from September 1, 2004 to the implementation date of the proposed rates in its next rate application." The Applicant submitted that the revenue forgone was based on a three month delay in implementing the approved adjustment to its revenue requirement totaling $65,325.

Submissions

The Board received one submission which addressed the 2005 rate setting process in general. This submission was made by School Energy Coalition (SEC). SEC objected to the guideline which caused the recovery of the 2005 PILs proxy to be reflected only on the variable charge. SEC was also concerned that monthly service charges and overall distribution charges varied significantly between utilities across the province. SEC also raised concerns regarding the consistency of, and access to, information on the applications as filed by the utilities.

Reply submissions to SEC's general submissions were received from the Coalition of Large Distributors, the Electricity Distributors Association, Hydro One Networks, and the LDC Coalition (a group of 7 distributors). These parties generally argued against the recommendations put forward by SEC, by and large indicating that the Board's existing processes for 2006 and 2007 have been planned to address these issues going forward and that these issues should not be added to the 2005 rates adjustment process.

The Applicant was not specifically named in any of these submissions.

The full record of the proceeding is available for review at the Board's offices.

Board Findings

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

The Board finds that the application conforms with earlier decisions of the Board (including approval for the Applicant's Conservation and Demand Management plan), directives and guidelines.

The Board will issue a separate decision on cost awards.

THE BOARD ORDERS THAT:

1) The rate schedule attached as Appendix "A" is approved effective March 1, 2005, to be implemented on April 1, 2005. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2005 implementation date, the new rates shall be implemented with the first billing cycle for electricity consumed or estimated to have been consumed after April 1, 2005.

2) The Applicant shall notify its customers of the rate changes, no later than with the first bill reflecting the new rates and include the brochure provided by the Board.

DATED at Toronto, March 22, 2005
ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0013
EB-2005-0072

March 22, 2005

ONTARIO ENERGY BOARD

Scugog Hydro Energy Corporation
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RP-2005-0013
EB-2004-0072

RESIDENTIAL

Monthly Service Charge	(per month)	$8.27
Distribution Volumetric Rate	(per kWh)	$0.0140

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$20.71
Distribution Volumetric Rate	(per kWh)	$0.0122

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$196.93
Distribution Volumetric Rate	(per kW)	$2.8914

UMETERERD SCATTERED LOAD

Monthly Service Charge	(per month)	$12.86
Distribution Volumetric Rate	(per kWh)	$0.0312

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$2.50
Distribution Volumetric Rate	(per kWh)	$10.3269

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$0.55
Distribution Volumetric Rate	(per kW)	$5.4356

The rates on this schedule include an interim recovery of Regulatory Assets.

File Number:	EB-2012-0061
Exhibit:	4
Tab:	2
Schedule:	1
Date Filed:	May 01, 2012

Appendix 3 of 6

Original Board Approved RAMs

SHEET 1 - 2001 OEB Approved Rate Schedule

V2

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

Enter the values for your 2001 OEB approved distribution rates in the appropriate areas which are highlighted in yellow.

RESIDENTIAL

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	
COST OF POWER KWH RATE	

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

COST OF POWER TIME OF USE RATES	WINTER PEAK $/KWH	WINTER OFF-PEAK $/KWH	SUMMER PEAK $/KWH	SUMMER OFF-PEAK $/KWH

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0180
MONTHLY SERVICE CHARGE (Per Customer)	$8.89
COST OF POWER KWH RATE	$0.0710

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

COST OF POWER TIME OF USE RATES	WINTER PEAK $/KWH	WINTER OFF-PEAK $/KWH	SUMMER PEAK $/KWH	SUMMER OFF-PEAK $/KWH

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	
COST OF POWER KW RATE	
COST OF POWER KWH RATE	

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	
COST OF POWER KW RATE	

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	
COST OF POWER KW RATE	

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE		
MONTHLY SERVICE CHARGE (Per Connection)		
COST OF POWER TIME OF USE RATES	WINTER PEAK $/KW	SUMMER PEAK $/KW

MISCELLANEOUS CHARGES

ADD 2001 OEB APPROVED MISCELLANEOUS CHARGES BELOW.
Please enter these charges exactly as they are entered in your current approved rate schedule.
Please add your specific charges as necessary.

New Account Setup	$	9.00
Change of Occupancy		
Account History		
Administration Fee		
Current Year Data		
Each Additional Year Data		
Arrear's Certificate		$12.70
Late Payment (19.56% annual)		1.50%
Dispute Involvement Charge		$10.00
Returned Cheque (plus actual bank charges)		$9.00
Collection of Account Charge		$9.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours		$20.00
At Meter - After Hours		$50.00
Temporary Pole Service	$	200.00
After Hours High Voltage Station Outage		
Residential Service 2nd Visit to Connect New Service		
Residential Service After Hours Visit to Connect New Service		
Diversity Adjustment Credit (per KW) Winter		
(discontinued at Market Opening) Summer		
Transformer Discount (customer owned) (per kW)	$	0.60
Primary Metering Adjustment (1% of billed kW and kWh)		1%

SHEET 2 - 2002 Rate Schedule including 2nd Year PBR Adjustment

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	2		
Date	March 14 2002		

Enter the IPI for 2001 when released by the Board in January.

IPI	PF	Adjustment Factor
0.4%	-1.5%	-1.1%

or

98.90%

of current rates.

This schedule includes distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000
COST OF POWER KWH RATE	$0.0000

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.000000			
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.017842
MONTHLY SERVICE CHARGE (Per Customer)	$8.7922
COST OF POWER KWH RATE	$0.07101

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.000000			
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000
COST OF POWER KW RATE	$0.0000
COST OF POWER KWH RATE	$0.0000

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Connection)	$0.0000
COST OF POWER KW RATE	$0.0000

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Connection)	$0.0000
COST OF POWER KW RATE	$0.0000

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 3 - Calculating Rate Increases using 1999 LDC Data and adding 2002 Incremental MARR

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule requires LDCs to input the 1999 statistics (identical to those in your approved RUD Model) which will be used to allocate distribution revenue to rate classes and also used to determine 2002 rate additions to recover the additional 1/3 of incremental MARR.
If your LDC has other issues that will have a permanent impact on MARR (change in late payment policy or other revenue adjustments) you must justify them and provide evidence in your manager's summary.

Enter the permanent revenue adjustment amount here: $ - Cell G36 will be adjusted by this amount.

Enter the 1/3 of incremental MARR used in the RUD Model that your LDC used for approved 2001 rates. $0.00

Enter the 1/3 of incremental MARR you seek to recover in 2002 (should be same as previous entry) $0.00

Enter the 1/3 of incremental MARR you will seek to recover in 2003 (should be same as first 1/3 increment) $0.00

Use the Table below to enter the 1999 statistics for your LDC. These should be the same as reported to the OEB in your approved RUD Model used to set current rates. The share of class distribution revenue in 1999 is used to allocate the additional 1/3 incremental MARR to the classes for 2002 rates.

1999 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	1999 Revenue Shares	2002 1/3 MARR Allocations
RESIDENTIAL CLASS	-				0.00%	$ -
GENERAL SERVICE <50 KW CLASS	-	168,504	19	$4,412.00	100.00%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE					0.00%	$ -
GENERAL SERVICE >50 KW TIME OF USE					0.00%	$ -
INTERMEDIATE USE					0.00%	$ -
LARGE USER CLASS					0.00%	$ -
SENTINEL LIGHTS					0.00%	$ -
STREET LIGHTING CLASS					0.00%	$ -
TOTALS				$4,412.00	1.00	$ -
		Allocated Total for 2002 including adjustments at Cell B13 ==>				$ -

Residential Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
			0%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KWH	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		#DIV/0!	

General Service <50kW Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	0.600	0.400	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G27 above)	$ -	$ -	$ -

(B) RETAIL KWH 168,504

(C) NUMBER OF CUSTOMERS 19

(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B $0.000000
(this amount is added to the kWh rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 $0.0000
(this amount is added to the Service Charge shown on Sheet 2 and
the total new Service Charge appears on the Rate Schedule on Sheet 4)

General Service >50kW Class Non TOU

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G28 above)	$ -	$ -	$ -

(B) RETAIL KW 0

(C) NUMBER OF CUSTOMERS -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #DIV/0!
(this amount is added to the kW rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #DIV/0!
(this amount is added to the Service Charge shown on Sheet 2 and
the total new Service Charge appears on the Rate Schedule on Sheet 4)

General Service >50kW ClassTOU

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
			0%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G29 above)	$ -	$ -	$ -

(B) RETAIL KW 0

(C) NUMBER OF CUSTOMERS -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #DIV/0!
(this amount is added to the kW rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #DIV/0!
(this amount is added to the Service Charge shown on Sheet 2 and
the total new Service Charge appears on the Rate Schedule on Sheet 4)

Intermediate Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
			0%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G30 above)	$ -	$ -	$ -

(B) RETAIL KW 0

(C) NUMBER OF CUSTOMERS -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #DIV/0!
(this amount is added to the kW rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #DIV/0!
(this amount is added to the Service Charge shown on Sheet 2 and
the total new Service Charge appears on the Rate Schedule on Sheet 4)

Large User Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
			0%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G31 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		#DIV/0!	

Sentinel Lighting Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G32 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS (Connections)		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		#DIV/0!	

Streetlighting Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G33 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #DIV/0!
(this amount is added to the kW rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #DIV/0!
(this amount is added to the Service Charge shown on Sheet 2 and
the total new Service Charge appears on the Rate Schedule on Sheet 4)

SHEET 4 - 2002 Base Rate Schedule including 2002 1/3 Incremental MARR Adjustment

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment and the addition of the 2nd Installment of 1/3 Incremental MARR.

This is the **Base Rate Schedule** which will be used as the base for the March 1, 2003 PBR Rate Adjustment.

RESIDENTIAL

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!
COST OF POWER KWH RATE	$0.0000

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	#DIV/0!			
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0178
MONTHLY SERVICE CHARGE (Per Customer)	$8.79
COST OF POWER KWH RATE	$0.0710

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0000			
MONTHLY SERVICE CHARGE (Per Customer)	$0.00			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!
COST OF POWER KW RATE	$0.0000
COST OF POWER KWH RATE	$0.0000

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER KW RATE $0.0000

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER KW RATE $0.0000

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!		
MONTHLY SERVICE CHARGE (Per Connection)	#DIV/0!		
COST OF POWER TIME OF USE RATES	WINTER PEAK $/KW	SUMMER PEAK $/KW	
	$0.0000	$0.0000	

SHEET 5 - Bill Impact Analysis for 2002 Rate Schedule including IPI-PF & 2002 1/3 Incremental MARR Adjustment

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule shows the bill impactsusing the 2002 Base Rate Schedule which includes
the IPI - PF 2nd year PBR rate adjustment and the addition of the 2nd Installment of 1/3 Incremental MARR.

BILL IMPACT ANALYSIS: Current Bill vs. 2002 Base Rate Schedule (including IPI-PF & 1/3 Incremental MARR)

RESIDENTIAL CLASS

NON-TIME OF USE

	CURRENT 2001 BILL				2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)				
ENTER DESIRED CONSUMPTION LEVEL	**KWH**	**RATE**	**CHARGE**		**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
100 kWh	**(enter)**	**$/KWH**	**$**			**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	100	0.0000	$	-	100	#DIV/0!	#DIV/0!		
COST OF POWER KWH	100	0.0000	$	-	100	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**		**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
250 kWh	**(enter)**	**$/KWH**	**$**			**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	250	0.0000	$	-	250	#DIV/0!	#DIV/0!		
COST OF POWER KWH	250	0.0000	$	-	250	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**		**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
500 kWh	**(enter)**	**$/KWH**	**$**			**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	500	0.0000	$	-	500	#DIV/0!	#DIV/0!		
COST OF POWER KWH	500	0.0000	$	-	500	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**		**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
750 kWh	**(enter)**	**$/KWH**	**$**			**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	750	0.0000	$	-	750	#DIV/0!	#DIV/0!		
COST OF POWER KWH	750	0.0000	$	-	750	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**		**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
1000 kWh	**(enter)**	**$/KWH**	**$**			**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	1000	0.0000	$	-	1000	#DIV/0!	#DIV/0!		
COST OF POWER KWH	1000	0.0000	$	-	1000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**		**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
1500 kWh	**(enter)**	**$/KWH**	**$**			**$/KWH**	**$**	**DOLLARS**	**%**

MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!			
DISTRIBUTION KWH	1500	0.0000	$	-	DISTRIBUTION KWH	1500	#DIV/0!	#DIV/0!			
COST OF POWER KWH	1500	0.0000	$	-	COST OF POWER KWH	1500	0.0000	$ -			
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!	

MONTHLY CONSUMPTION OF 2000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	2000	0.0000	$	-	DISTRIBUTION KWH	2000	#DIV/0!	#DIV/0!		
COST OF POWER KWH	2000	0.0000	$	-	COST OF POWER KWH	2000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE < 50 KW

CURRENT 2001 BILL | **2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**

ENTER DESIRED CONSUMPTION LEVEL

1000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	8.89	MONTHLY SERVICE CHARGE	n/a	n/a	$ 8.79		
DISTRIBUTION KWH	1000	0.0180	$	18.04	DISTRIBUTION KWH	1000	0.01784	$ 17.84		
COST OF POWER KWH	1000	0.0710	$	71.01	COST OF POWER KWH	1000	0.0710	$ 71.01		
CURRENT 2001 BILL			$	97.94	Adjusted 2002 BILL			$ 97.64	$ (0.30)	-0.3%

MONTHLY CONSUMPTION 2000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	8.89	MONTHLY SERVICE CHARGE	n/a	n/a	$ 8.79		
DISTRIBUTION KWH	2000	0.0180	$	36.08	DISTRIBUTION KWH	2000	0.01784	$ 35.68		
COST OF POWER KWH	2000	0.0710	$	142.02	COST OF POWER KWH	2000	0.0710	$ 142.02		
CURRENT 2001 BILL			$	186.99	Adjusted 2002 BILL			$ 186.50	$ (0.49)	-0.3%

MONTHLY CONSUMPTION 5000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	8.89	MONTHLY SERVICE CHARGE	n/a	n/a	$ 8.79		
DISTRIBUTION KWH	5000	0.0180	$	90.20	DISTRIBUTION KWH	5000	0.01784	$ 89.21		
COST OF POWER KWH	5000	0.0710	$	355.05	COST OF POWER KWH	5000	0.0710	$ 355.05		
CURRENT 2001 BILL			$	454.14	Adjusted 2002 BILL			$ 453.05	$ (1.09)	-0.2%

MONTHLY CONSUMPTION 10,000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	8.89	MONTHLY SERVICE CHARGE	n/a	n/a	$ 8.79		
DISTRIBUTION KWH	10000	0.0180	$	180.40	DISTRIBUTION KWH	10000	0.01784	$ 178.42		
COST OF POWER KWH	10000	0.0710	$	710.10	COST OF POWER KWH	10000	0.0710	$ 710.10		
CURRENT 2001 BILL			$	899.39	Adjusted 2002 BILL			$ 897.31	$ (2.08)	-0.2%

MONTHLY CONSUMPTION 20,000 KWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**		**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	8.89	MONTHLY SERVICE CHARGE	n/a	n/a	$ 8.79		
DISTRIBUTION KWH	20000	0.0180	$	360.80	DISTRIBUTION KWH	20000	0.01784	$ 356.83		
COST OF POWER KWH	20000	0.0710	$	1,420.20	COST OF POWER KWH	20000	0.0710	$ 1,420.20		

CURRENT 2001 BILL	$ 1,789.89	Adjusted 2002 BILL	$ 1,785.82	$	(4.07)	-0.2%

GENERAL SERVICE > 50 KW NON TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL

	CURRENT 2001 BILL				2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)				
	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	0	0.0000	$	-	0	#DIV/0!	#DIV/0!		
COST OF POWER KW	0	0.0000	$	-	0	0.0000	$ -		
COST OF POWER **KWH**	0	0.0000	$	-	0	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 100kW, 30,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	100	0.0000	$	-	100	#DIV/0!	#DIV/0!		
COST OF POWER KW	100	0.0000	$	-	100	0.0000	$ -		
COST OF POWER **KWH**	30,000	0.0000	$	-	30,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 100kW, 40,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	100	0.0000	$	-	100	#DIV/0!	#DIV/0!		
COST OF POWER KW	100	0.0000	$	-	100	0.0000	$ -		
COST OF POWER **KWH**	40,000	0.0000	$	-	40,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 500kW, 100,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	500	0.0000	$	-	500	#DIV/0!	#DIV/0!		
COST OF POWER KW	500	0.0000	$	-	500	0.0000	$ -		
COST OF POWER **KWH**	100,000	0.0000	$	-	100,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 500kW, 250,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	500	0.0000	$	-	500	#DIV/0!	#DIV/0!		
COST OF POWER KW	500	0.0000	$	-	500	0.0000	$ -		
COST OF POWER **KWH**	250,000	0.0000	$	-	250,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 1000kW, 400,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	1000	0.0000	$	-	1000	#DIV/0!	#DIV/0!		
COST OF POWER KW	1000	0.0000	$	-	1000	0.0000	$ -		
COST OF POWER **KWH**	400,000	0.0000	$	-	400,000	0.0000	$ -		

	CURRENT 2001 BILL			$ -	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 1000kW, 500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	1000	0.0000	$	-	1000	#DIV/0!	#DIV/0!		
COST OF POWER KW	1000	0.0000	$	-	1000	0.0000	$ -		
COST OF POWER **KWH**	500,000	0.0000	$	-	500,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	3000	0.0000	$	-	3000	#DIV/0!	#DIV/0!		
COST OF POWER KW	3000	0.0000	$	-	3000	0.0000	$ -		
COST OF POWER **KWH**	1,000,000	0.0000	$	-	1,000,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	3000	0.0000	$	-	3000	#DIV/0!	#DIV/0!		
COST OF POWER KW	3000	0.0000	$	-	3000	0.0000	$ -		
COST OF POWER **KWH**	1,500,000	0.0000	$	-	1,500,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	4000	0.0000	$	-	4000	#DIV/0!	#DIV/0!		
COST OF POWER KW	4000	0.0000	$	-	4000	0.0000	$ -		
COST OF POWER **KWH**	1,200,000	0.0000	$	-	1,200,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	4000	0.0000	$	-	4000	#DIV/0!	#DIV/0!		
COST OF POWER KW	4000	0.0000	$	-	4000	0.0000	$ -		
COST OF POWER **KWH**	1,800,000	0.0000	$	-	1,800,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL		#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE >50 KW TIME OF USE

	CURRENT 2001 BILL			**2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**				
ENTER DESIRED CONSUMPTION LEVELS								
100kW, 40,000kWh	**WINTER**			**WINTER**				
	KW	**RATE $/kW**	**CHARGE $**		**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$ -	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	20,000	0.0000	$ -	WINTER PEAK	20,000	0.0000	$ -		
WINTER OFF PEAK	20,000	0.0000	$ -	WINTER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		

TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER	**KW**	**RATE $/kW**	**CHARGE $**	**SUMMER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION				DISTRIBUTION					
kW	100	0.0000	$ -	kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	100	0.0000	$ -	Demand Charge	100	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	20,000	0.0000	$ -	SUMMER PEAK	20,000	0.0000	$ -		
SUMMER OFF PEAK	20,000	0.0000	$ -	SUMMER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE - INTERMEDIATE USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**

ENTER DESIRED CONSUMPTION LEVELS
4000kW, 1,200,000kWh

WINTER	**KW**	**RATE $/kW**	**CHARGE $**	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION				DISTRIBUTION					
kW	4000	0.0000	$ -	kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	4000	0.0000	$ -	Demand Charge	4000	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	600,000	0.0000	$ -	WINTER PEAK	600,000	0.0000	$ -		
WINTER OFF PEAK	600,000	0.0000	$ -	WINTER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER	**KW**	**RATE $/kW**	**CHARGE $**	**SUMMER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION				DISTRIBUTION					
kW	4000	0.0000	$ -	kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	4000	0.0000	$ -	Demand Charge	4000	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	600,000	0.0000	$ -	SUMMER PEAK	600,000	0.0000	$ -		
SUMMER OFF PEAK	600,000	0.0000	$ -	SUMMER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

LARGE USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**

ENTER DESIRED CONSUMPTION LEVELS
6000kW, 3,000,000kWh

WINTER	**KW**	**RATE $/kW**	**CHARGE $**	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION				DISTRIBUTION					
kW	6000	0.0000	$ -	kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	6000	0.0000	$ -	Demand Charge	6000	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	1,500,000	0.0000	$ -	WINTER PEAK	1,500,000	0.0000	$ -		
WINTER OFF PEAK	1,500,000	0.0000	$ -	WINTER OFF PEAK	1,500,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER	**KW**	**RATE**	**CHARGE**	**SUMMER**	**KW**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**

		$/kW	$			$/kW	$	DOLLARS	%
DISTRIBUTION				DISTRIBUTION					
kW	6000	0.0000	$ -	kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	6000	0.0000	$ -	Demand Charge	6000	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	1,500,000	0.0000	$ -	SUMMER PEAK	1,500,000	0.0000	$ -		
SUMMER OFF PEAK	1,500,000	0.0000	$ -	SUMMER OFF PEAK	1,500,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SHEET 6 - 2001 PILs Deferral Account Estimate Adder Calculation

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule allows LDCs to input the calculated value for the 2001 PILs Defferal Account. Use the methodolgy released by the Board on December 21, 2001.

Enter the Estimated Value for the 2001 PILs Defferal Account. $ 54.85

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2001 PILs defferal amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2001 PILs Deferral Allocations
RESIDENTIAL CLASS	-	0	-	$0.00	0.00%	$ -
GENERAL SERVICE <50 KW CLASS	-	130,320	19	$4,412.00	100.00%	$ 54.85
GENERAL SERVICE >50 KW NON TIME OF USE	0	-	-	$0.00	0.00%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	0	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	0	$0.00	0.00%	$ -
LARGE USER CLASS	0	-	0	$0.00	0.00%	$ -
SENTINEL LIGHTS	0	-	-	$0.00	0.00%	$ -
STREET LIGHTING CLASS	0	-	-	$0.00	0.00%	$ -
TOTALS				$4,412.00	1.00	54.85
						$ 54.85

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.000	1.000	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KWH	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/((this amount is added to the kWh rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		#DIV/0!	

General Service <50kW Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.600	0.400	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G27 above)	$ 32.91	$ 21.94	$ 54.85
(B) RETAIL KWH	130,320		
(C) NUMBER OF CUSTOMERS		19	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/((this amount is added to the kWh rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.000253		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$0.0962	

General Service >50kW Class Non TOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G28 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		#DIV/0!	

General Service >50kW ClassTOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.000	1.000	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		#DIV/0!	

Intermediate Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.000	1.000	100%

(A) ALLOCATED 2001 PILs Estimate (Total in Cell G30 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		#DIV/0!	

Large User Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.000	1.000	100%

(A) ALLOCATED 2001 PILs Estimate (Total in Cell G31 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		#DIV/0!	

Sentinel Lighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.524	0.476	100%

(A) ALLOCATED 2001 PILs Estimate (Total in Cell G32 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #DIV/0!
(this amount is added to the Service Charge shown on Sheet 4 and
the total new Service Charge appears on the Rate Schedule on Sheet 7)

Streetlighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G33 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS (Connections)		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B)	#DIV/0!		
(this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12		#DIV/0!	
(this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)			

SHEET 7 - 2002 Rate Schedule including 2001PILs Deferral Account Estimate Adder

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the addition of the 2nd Installment of 1/3 Incremental MARR and 2001PILs Deferral Account Estimate Adder.

RESIDENTIAL

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!
COST OF POWER KWH RATE	$0.00000

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	#DIV/0!			
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.01809
MONTHLY SERVICE CHARGE (Per Customer)	$8.88843
COST OF POWER KWH RATE	$0.071010

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00025			
MONTHLY SERVICE CHARGE (Per Customer)	$0.09622			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!
COST OF POWER KW RATE	$0.000000
COST OF POWER KWH RATE	$0.000000

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER KW RATE $0.0000

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER KW RATE $0.0000

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 8 - 2002 PILs Proxy Estimate Adder Calculation

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule allows LDCs to input the calculated value for the 2002 PILs Proxy Estimate. Use the methodolgy released by the Board on December 21, 2001.

Enter the Estimated Value for the 2002 PILs Proxy $ 284.75

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2002 PILs Proxy Estimate amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

When this data was added on Sheet 6, it will also appear in the table below.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 PILs Estimate Allocations
RESIDENTIAL CLASS	-	0	-	$0.00	0.00%	$ -
GENERAL SERVICE <50 KW CLASS	-	130,320	19	$4,412.00	100.00%	$ 284.75
GENERAL SERVICE >50 KW NON TIME OF USE	0	-	-	$0.00	0.00%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	0	-	-	$0.00	0.00%	$ -
SENTINEL LIGHTS	0	-	-	$0.00	0.00%	$ -
STREET LIGHTING CLASS	0	-	-	$0.00	0.00%	$ -
TOTALS				$4,412.00	1.00	284.75
						$ 284.75

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.000	1.000	100%
(A) ALLOCATED 2002 PILs (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KWH		0	
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(I (this amount is added to the kWh rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		#DIV/0!	

General Service <50kW Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.600	0.400	100%
(A) ALLOCATED 2002 PILs (Total in Cell G27 above)	$ 170.85	$ 113.90	$ 284.75
(B) RETAIL KWH	130,320		
(C) NUMBER OF CUSTOMERS		19	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(I (this amount is added to the kWh rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.001311		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$0.4996	

General Service >50kW Class Non TOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2002 PILs (Total in Cell G28 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		#DIV/0!	

General Service >50kW ClassTOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.000	1.000	100%
(A) ALLOCATED 2002 PILs (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		#DIV/0!	

Intermediate Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.000	1.000	100%
(A) ALLOCATED 2002 PILs (Total in Cell G30 above)	$ -	$ -	$ -
(B) RETAIL KW		0	
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		#DIV/0!	

Large User Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.000	1.000	100%
(A) ALLOCATED 2002 PILs (Total in Cell G31 above)	$ -	$ -	$ -
(B) RETAIL KW		0	
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		#DIV/0!	

Sentinel Lighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2002 PILs (Total in Cell G32 above)	$ -	$ -	$ -
(B) RETAIL KW		0	
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #DIV/0!
(this amount is added to the Service Charge shown on Sheet 7and
the total new Service Charge appears on the Rate Schedule on Sheet 9)

Streetlighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 PILs (Total in Cell G33 above)	$ -	$ -	$ -
(B) RETAIL KW		0	
(C) NUMBER OF CUSTOMERS (Connections)		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B)	#DIV/0!		
(this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12		#DIV/0!	
(this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)			

SHEET 9 - 2002 Rate Schedule including 2001 and 2002 PILs Estimate Adders

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the 2nd Installment of 1/3 Incremental MARR, the 2001PILs Deferral Account Estimate Adder, and the 2002 PILs Estimate Adder. If you are not applying to recover any Z-factors or transistion costs for March 1, 2002, this becomes your final 2002 Rate Schedule and will appear at Sheet 16.

RESIDENTIAL

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!
COST OF POWER KWH RATE	$0.00000

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.01941
MONTHLY SERVICE CHARGE (Per Customer)	$9.38800
COST OF POWER KWH RATE	$0.071010

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00156
MONTHLY SERVICE CHARGE (Per Customer)	$0.59579

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!
COST OF POWER KW RATE	$0.000000
COST OF POWER KWH RATE	$0.000000

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER KW RATE $0.0000

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER KW RATE $0.0000

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 10 - Bill Impact Analysis for 2002 Rate Schedule after 2001 and 2002 PILs Adjustments

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule shows the bill impacts using the 2002 Rate Schedule which includes the IPI - PF 2nd year PBR rate adjustment, the addition of the 2nd Installment of 1/3 Incremental MARR, the 2001 PILs deferral account estimate and the 2002 PILs estimate.

BILL IMPACT ANALYSIS: Current Bill vs. 2002 Bill (including IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)

RESIDENTIAL CLASS

NON-TIME OF USE

CURRENT 2001 BILL

ENTER DESIRED CONSUMPTION LEVEL		**KWH**	**RATE**	**CHARGE**
100 kWh		**(enter)**	**$/KWH**	**$**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -
	DISTRIBUTION KWH	100	0.0000	$ -
	COST OF POWER KWH	100	0.0000	$ -
	CURRENT 2001 BILL			$ -

MONTHLY CONSUMPTION OF		**KWH**	**RATE**	**CHARGE**
250 kWh		**(enter)**	**$/KWH**	**$**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -
	DISTRIBUTION KWH	250	0.0000	$ -
	COST OF POWER KWH	250	0.0000	$ -
	CURRENT 2001 BILL			$ -

MONTHLY CONSUMPTION OF		**KWH**	**RATE**	**CHARGE**
500 kWh		**(enter)**	**$/KWH**	**$**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -
	DISTRIBUTION KWH	500	0.0000	$ -
	COST OF POWER KWH	500	0.0000	$ -
	CURRENT 2001 BILL			$ -

MONTHLY CONSUMPTION OF		**KWH**	**RATE**	**CHARGE**
750 kWh		**(enter)**	**$/KWH**	**$**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -
	DISTRIBUTION KWH	750	0.0000	$ -
	COST OF POWER KWH	750	0.0000	$ -
	CURRENT 2001 BILL			$ -

MONTHLY CONSUMPTION OF		**KWH**	**RATE**	**CHARGE**
1000 kWh		**(enter)**	**$/KWH**	**$**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -
	DISTRIBUTION KWH	1000	0.0000	$ -
	COST OF POWER KWH	1000	0.0000	$ -
	CURRENT 2001 BILL			$ -

MONTHLY CONSUMPTION OF		**KWH**	**RATE**	**CHARGE**
1500 kWh		**(enter)**	**$/KWH**	**$**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -
	DISTRIBUTION KWH	1500	0.0000	$ -
	COST OF POWER KWH	1500	0.0000	$ -

2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)

		KWH	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
			$/KWH	**$**	**DOLLARS**	**%**
	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KWH	100	#DIV/0!	#DIV/0!		
	COST OF POWER KWH	100	0.0000	$ -		
	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

		KWH	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
			$/KWH	**$**	**DOLLARS**	**%**
	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KWH	250	#DIV/0!	#DIV/0!		
	COST OF POWER KWH	250	0.0000	$ -		
	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

		KWH	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
			$/KWH	**$**	**DOLLARS**	**%**
	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KWH	500	#DIV/0!	#DIV/0!		
	COST OF POWER KWH	500	0.0000	$ -		
	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

		KWH	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
			$/KWH	**$**	**DOLLARS**	**%**
	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KWH	750	#DIV/0!	#DIV/0!		
	COST OF POWER KWH	750	0.0000	$ -		
	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

		KWH	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
			$/KWH	**$**	**DOLLARS**	**%**
	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KWH	1000	#DIV/0!	#DIV/0!		
	COST OF POWER KWH	1000	0.0000	$ -		
	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

		KWH	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
			$/KWH	**$**	**DOLLARS**	**%**
	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KWH	1500	#DIV/0!	#DIV/0!		
	COST OF POWER KWH	1500	0.0000	$ -		

	CURRENT 2001 BILL			$ -	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!		
MONTHLY CONSUMPTION OF 2000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE		n/a	n/a	#DIV/0!			
	DISTRIBUTION KWH	2000	0.0000	$ -	DISTRIBUTION KWH		2000	#DIV/0!	#DIV/0!			
	COST OF POWER KWH	2000	0.0000	$ -	COST OF POWER KWH		2000	0.0000	$ -			
	CURRENT 2001 BILL			$ -	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!		

GENERAL SERVICE < 50 KW

	CURRENT 2001 BILL				2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)						
ENTER DESIRED CONSUMPTION LEVEL											
1000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	8.89	MONTHLY SERVICE CHARGE	n/a	n/a	$ 9.39			
DISTRIBUTION KWH	1000	0.0180	$	18.04	DISTRIBUTION KWH	1000	0.01941	$ 19.41			
COST OF POWER KWH	1000	0.0710	$	71.01	COST OF POWER KWH	1000	0.0710	$ 71.01			
CURRENT 2001 BILL			$	97.94	Adjusted 2002 BILL			$ 99.80	$ 1.86	1.9%	
MONTHLY CONSUMPTION 2000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	8.89	MONTHLY SERVICE CHARGE	n/a	n/a	$ 9.39			
DISTRIBUTION KWH	2000	0.0180	$	36.08	DISTRIBUTION KWH	2000	0.01941	$ 38.81			
COST OF POWER KWH	2000	0.0710	$	142.02	COST OF POWER KWH	2000	0.0710	$ 142.02			
CURRENT 2001 BILL			$	186.99	Adjusted 2002 BILL			$ 190.22	$ 3.23	1.7%	
MONTHLY CONSUMPTION 5000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	8.89	MONTHLY SERVICE CHARGE	n/a	n/a	$ 9.39			
DISTRIBUTION KWH	5000	0.0180	$	90.20	DISTRIBUTION KWH	5000	0.01941	$ 97.03			
COST OF POWER KWH	5000	0.0710	$	355.05	COST OF POWER KWH	5000	0.0710	$ 355.05			
CURRENT 2001 BILL			$	454.14	Adjusted 2002 BILL			$ 461.46	$ 7.32	1.6%	
MONTHLY CONSUMPTION 10,000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	8.89	MONTHLY SERVICE CHARGE	n/a	n/a	$ 9.39			
DISTRIBUTION KWH	10000	0.0180	$	180.40	DISTRIBUTION KWH	10000	0.01941	$ 194.05			
COST OF POWER KWH	10000	0.0710	$	710.10	COST OF POWER KWH	10000	0.0710	$ 710.10			
CURRENT 2001 BILL			$	899.39	Adjusted 2002 BILL			$ 913.54	$ 14.15	1.6%	
MONTHLY CONSUMPTION 20,000 KWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	8.89	MONTHLY SERVICE CHARGE	n/a	n/a	$ 9.39			
DISTRIBUTION KWH	20000	0.0180	$	360.80	DISTRIBUTION KWH	20000	0.01941	$ 388.10			
COST OF POWER KWH	20000	0.0710	$	1,420.20	COST OF POWER KWH	20000	0.0710	$ 1,420.20			
CURRENT 2001 BILL			$	1,789.89	Adjusted 2002 BILL			$ 1,817.69	$ 27.80	1.6%	

GENERAL SERVICE > 50 KW NON TIME OF USE

	CURRENT 2001 BILL				2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)						
ENTER DESIRED CONSUMPTION LEVEL											
	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!			

	DISTRIBUTION KW	0	0.0000	$	-	DISTRIBUTION KW	0	#DIV/0!	#DIV/0!			
	COST OF POWER KW	0	0.0000	$	-	COST OF POWER KW	0	0.0000	$ -			
	COST OF POWER **KWH**	0	0.0000	$	-	COST OF POWER **KWH**	0	0.0000	$ -			
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!	

MONTHLY CONSUMPTION 100kW, 30,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	100	0.0000	$	-	DISTRIBUTION KW	100	#DIV/0!	#DIV/0!		
	COST OF POWER KW	100	0.0000	$	-	COST OF POWER KW	100	0.0000	$ -		
	COST OF POWER **KWH**	30,000	0.0000	$	-	COST OF POWER **KWH**	30,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 100kW, 40,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	100	0.0000	$	-	DISTRIBUTION KW	100	#DIV/0!	#DIV/0!		
	COST OF POWER KW	100	0.0000	$	-	COST OF POWER KW	100	0.0000	$ -		
	COST OF POWER **KWH**	40,000	0.0000	$	-	COST OF POWER **KWH**	40,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 500kW, 100,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	500	0.0000	$	-	DISTRIBUTION KW	500	#DIV/0!	#DIV/0!		
	COST OF POWER KW	500	0.0000	$	-	COST OF POWER KW	500	0.0000	$ -		
	COST OF POWER **KWH**	100,000	0.0000	$	-	COST OF POWER **KWH**	100,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 500kW, 250,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	500	0.0000	$	-	DISTRIBUTION KW	500	#DIV/0!	#DIV/0!		
	COST OF POWER KW	500	0.0000	$	-	COST OF POWER KW	500	0.0000	$ -		
	COST OF POWER **KWH**	250,000	0.0000	$	-	COST OF POWER **KWH**	250,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 1000kW, 400,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	1000	0.0000	$	-	DISTRIBUTION KW	1000	#DIV/0!	#DIV/0!		
	COST OF POWER KW	1000	0.0000	$	-	COST OF POWER KW	1000	0.0000	$ -		
	COST OF POWER **KWH**	400,000	0.0000	$	-	COST OF POWER **KWH**	400,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 1000kW, 500,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	1000	0.0000	$	-	DISTRIBUTION KW	1000	#DIV/0!	#DIV/0!		
	COST OF POWER KW	1000	0.0000	$	-	COST OF POWER KW	1000	0.0000	$ -		
	COST OF POWER **KWH**	500,000	0.0000	$	-	COST OF POWER **KWH**	500,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		

DISTRIBUTION KW	3000	0.0000	$ -	DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!		
COST OF POWER KW	3000	0.0000	$ -	COST OF POWER KW	3000	0.0000	$ -		
COST OF POWER **KWH**	1,000,000	0.0000	$ -	COST OF POWER **KWH**	1,000,000	0.0000	$ -		
CURRENT 2001 BILL			$ -	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	3000	0.0000	$ -	DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!		
COST OF POWER KW	3000	0.0000	$ -	COST OF POWER KW	3000	0.0000	$ -		
COST OF POWER **KWH**	1,500,000	0.0000	$ -	COST OF POWER **KWH**	1,500,000	0.0000	$ -		
CURRENT 2001 BILL			$ -	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	4000	0.0000	$ -	DISTRIBUTION KW	4000	#DIV/0!	#DIV/0!		
COST OF POWER KW	4000	0.0000	$ -	COST OF POWER KW	4000	0.0000	$ -		
COST OF POWER **KWH**	1,200,000	0.0000	$ -	COST OF POWER **KWH**	1,200,000	0.0000	$ -		
CURRENT 2001 BILL			$ -	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
DISTRIBUTION KW	4000	0.0000	$ -	DISTRIBUTION KW	4000	#DIV/0!	#DIV/0!		
COST OF POWER KW	4000	0.0000	$ -	COST OF POWER KW	4000	0.0000	$ -		
COST OF POWER **KWH**	1,800,000	0.0000	$ -	COST OF POWER **KWH**	1,800,000	0.0000	$ -		
CURRENT 2001 BILL			$ -	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE >50 KW TIME OF USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**

ENTER DESIRED CONSUMPTION LEVELS

100kW, 40,000kWh

WINTER

	KW	**RATE $/kW**	**CHARGE $**		**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$ -	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	20,000	0.0000	$ -	WINTER PEAK	20,000	0.0000	$ -		
WINTER OFF PEAK	20,000	0.0000	$ -	WINTER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	**RATE $/kW**	**CHARGE $**		**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$ -	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	20,000	0.0000	$ -	SUMMER PEAK	20,000	0.0000	$ -		
SUMMER OFF PEAK	20,000	0.0000	$ -	SUMMER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE - INTERMEDIATE USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**

ENTER DESIRED CONSUMPTION LEVELS

4000kW, 1,200,000kWh

WINTER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	4000	0.0000	$ -
kW COST OF POWER			
Demand Charge	4000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
WINTER PEAK	600,000	0.0000	$ -
WINTER OFF PEAK	600,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

WINTER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	4000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	600,000	0.0000	$ -		
WINTER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	4000	0.0000	$ -
kW COST OF POWER			
Demand Charge	4000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
SUMMER PEAK	600,000	0.0000	$ -
SUMMER OFF PEAK	600,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

SUMMER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	4000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	600,000	0.0000	$ -		
SUMMER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

LARGE USE

CURRENT 2001 BILL

2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)

ENTER DESIRED CONSUMPTION LEVELS

6000kW, 3,000,000kWh

WINTER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	6000	0.0000	$ -
kW COST OF POWER			
Demand Charge	6000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
WINTER PEAK	1,500,000	0.0000	$ -
WINTER OFF PEAK	1,500,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

WINTER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	1,500,000	0.0000	$ -		
WINTER OFF PEAK	1,500,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	6000	0.0000	$ -
kW COST OF POWER			
Demand Charge	6000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
SUMMER PEAK	1,500,000	0.0000	$ -
SUMMER OFF PEAK	1,500,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

SUMMER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	1,500,000	0.0000	$ -		
SUMMER OFF PEAK	1,500,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SHEET 11 - Z-Factor Adder Calculation

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule allows LDCs to input the Applied for Value for a Z-Factor.
The amount is allocated to the classes in the same manner as the PILs amount added on Sheet 6 and is recovered as a rate adder.

Enter the applied for Value for the Z-factor: $ -

The Table below uses the 2001 statistics for your LDC to allocate the Z-Factor amount.
The share of class distribution revenue in 2001 is used to allocate this amount to the rate classes.

When this data was added on Sheet 6, it will also appear in the table below.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 Z-Factor for Recovery
RESIDENTIAL CLASS	-	0	-	$0.00	0.00%	$ -
GENERAL SERVICE <50 KW CLASS	-	130,320	19	$4,412.00	100.00%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	0	-	-	$0.00	0.00%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	0	-	-	$0.00	0.00%	$ -
SENTINEL LIGHTS	0	-	-	$0.00	0.00%	$ -
STREET LIGHTING CLASS	0	-	-	$0.00	0.00%	$ -
TOTALS				$4,412.00	1.00	-
						$ -

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.000	1.000	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KWH		0	
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(I (this amount is added to the kWh rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		#DIV/0!	

General Service <50kW Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED Z-Factor Amount for Recovery

		Percentage	Percentage	
		0.600	0.400	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G27 above)	$ -	$ -	$ -	
(B) RETAIL KWH	130,320			
(C) NUMBER OF CUSTOMERS		19		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(I (this amount is added to the kWh rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000		

General Service >50kW Class Non TOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

		VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED Z-Factor Amount for Recovery
		Percentage	Percentage	
		0.524	0.476	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G28 above)	$ -	$ -	$ -	
(B) RETAIL KW	0			
(C) NUMBER OF CUSTOMERS		-		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		#DIV/0!		

General Service >50kW ClassTOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

		VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED Z-Factor Amount for Recovery
		Percentage	Percentage	
		0.000	1.000	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G29 above)	$ -	$ -	$ -	
(B) RETAIL KW	0			
(C) NUMBER OF CUSTOMERS		-		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		#DIV/0!		

Intermediate Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED Z-Factor Amount for Recovery

		Percentage	Percentage	
		0.000	1.000	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G30 above)	$ -	$ -	$ -	
(B) RETAIL KW		0		
(C) NUMBER OF CUSTOMERS			-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)			#DIV/0!	

Large User Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

		VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
		0.000	1.000	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G31 above)	$ -	$ -	$ -	
(B) RETAIL KW		0		
(C) NUMBER OF CUSTOMERS			-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)			#DIV/0!	

Sentinel Lighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

		VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
		0.524	0.476	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G32 above)	$ -	$ -	$ -	
(B) RETAIL KW		0		
(C) NUMBER OF CUSTOMERS			-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)			#DIV/0!	

Streetlighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED Z-Factor Amount for Recovery
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G33 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS (Connections)		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		#DIV/0!	

SHEET 12 - 2002 Rate Schedule including 2001/2002 PILs Estimate and Z-Factor Adders

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the 2nd Installment of 1/3 Incremental MARR, the 2001PILs Deferral Account Estimate Adder, the 2002 PILs Proxy Estimate Adder, and the Z-Factor Adder.

RESIDENTIAL

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!
COST OF POWER KWH RATE	$0.00000

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.01941
MONTHLY SERVICE CHARGE (Per Customer)	$9.38800
COST OF POWER KWH RATE	$0.071010

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00156
MONTHLY SERVICE CHARGE (Per Customer)	$0.59579

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!
COST OF POWER KW RATE	$0.000000
COST OF POWER KWH RATE	$0.000000

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER KW RATE $0.0000

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER KW RATE $0.0000

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 13 - Transition Cost Adder Calculation

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule allows LDCs to input the Applied for Value for Transition Costs by the 10 cost categories shown in Article 480 of the APH Handbook.
These categories are:

1 **Billing Activities**
2 **Customer Education Services**
3 **Wholesale Market Requirements**
4 **IMO Requirements**
5 **Retailer/Customer Requirements**
6 **Staff Adjustment Activities**
7 **Regulatory Costs**
8 **Taxes**
9 **Regulatory Requirements**
10 **Other**

Enter the Amounts to be Applied under each category. The model will allocate the cost under each category to a rate class based on 2001 Distribution Revenue as shown in the 2001 Statistics Table below.
If the Utility would like to allocate the costs on a different basis, allocations can be adjusted manually.

Enter the applied for Total Value for Transition Costs: $ -

Transition Cost Category	1	Allocation	2	Allocation	3	Allocation	4	Allocation	5	Allocation	6	Allocation	7	Allocation	8	Allocation	9	Allocation	10	Allocation	Total
Total	$ -		$ -		$ -		$ -		$ -		$ -		$ -		$ -		$ -		$ -		$ -
RESIDENTIAL CLASS	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
GENERAL SERVICE <50 KW CLASS	$ -	100.00%	$ -	100.00%	$ -	100.00%	$ -	100.00%	$ -	100.00%	$ -	100.00%	$ -	100.00%	$ -	100.00%	$ -	100.00%	$ -	100.00%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
GENERAL SERVICE >50 KW TIME OF USE	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
INTERMEDIATE USE	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
LARGE USER CLASS	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
SENTINEL LIGHTS	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
STREET LIGHTING CLASS	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
TOTALS		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%	
																					$ -

2001 Statistics by Class	**kW**	**kWh**	**Number of Customers**	**Distribution Revenues**	**2001 Revenue Shares**	**2002 Transition Costs for Recovery**
RESIDENTIAL CLASS	-	0	-	$0.00	0.00%	$ -
GENERAL SERVICE <50 KW CLASS	-	130,320	19	$4,412.00	100.00%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	0	-	-	$0.00	0.00%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	0	-	-	$0.00	0.00%	$ -
SENTINEL LIGHTS	0	-	-	$0.00	0.00%	$ -
STREET LIGHTING CLASS	0	-	-	$0.00	0.00%	$ -
TOTALS				$4,412.00	1.00	-
						$ -

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.000	1.000	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G42 above)	$ -	$ -	$ -
(B) RETAIL KWH	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

General Service <50kW Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.600	0.400	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G43 above)	$ -	$ -	$ -
(B) RETAIL KWH	130,320		
(C) NUMBER OF CUSTOMERS		19	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service >50kW Class Non TOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recoverv
	0.524	0.476	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G44 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

General Service >50kW ClassTOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.000	1.000	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G45 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

Intermediate Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.000	1.000	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G46 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

Large User Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.000	1.000	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G47 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

Sentinel Lighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.524	0.476	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G48 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

Streetlighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.524	0.476	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G49 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS (Connections)		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

SHEET 14 - 2002 Rate Schedule including 2001/2002 PILs Estimate, Z-Factor & Transition Cost Adders

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the 2nd Installment of 1/3 Incremental MARR, the 2001PILs Deferral Account Estimate Adder, the 2002 PILs Estimate Adder, the Z-Factor Adder and the Transition Cost Adder.

RESIDENTIAL

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!
COST OF POWER KWH RATE	$0.0000

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0194
MONTHLY SERVICE CHARGE (Per Customer)	$9.3880
COST OF POWER KWH RATE	$0.071010

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0016
MONTHLY SERVICE CHARGE (Per Customer)	$0.5958

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!
COST OF POWER KW RATE	$0.000000
COST OF POWER KWH RATE	$0.000000

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER KW RATE $0.0000

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER KW RATE $0.0000

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Connection) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 15 - Bill Impact Analysis for 2002 Rate Schedule after 2001 & 2002 PILs Adjustments, Z-Factor & Transition Costs

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule shows the bill impacts using the 2002 Rate Schedule which includes the IPI - PF 2nd year PBR rate adjustment, the addition of the 2nd Installment of 1/3 Incremental MARR, the 2001 PILs deferral account estimate, the 2002 PILs estimate and the impact of the addition of Z-Factor and Transition Cost amounts.

BILL IMPACT ANALYSIS: Current Bill vs. 2002 Bill (including IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs, Z-Factor and Transition Costs)

RESIDENTIAL CLASS

NON-TIME OF USE

	CURRENT 2001 BILL					2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)					
ENTER DESIRED CONSUMPTION LEVEL	**KWH**	**RATE**	**CHARGE**				**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
100 kWh	**(enter)**	**$/KWH**	**$**					**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	100	0.0000	$	-		DISTRIBUTION KWH	100	#DIV/0!	#DIV/0!		
COST OF POWER KWH	100	0.0000	$	-		COST OF POWER KWH	100	0.0000	$ -		
CURRENT 2001 BILL			$	-		Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**				**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
250 kWh	**(enter)**	**$/KWH**	**$**					**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	250	0.0000	$	-		DISTRIBUTION KWH	250	#DIV/0!	#DIV/0!		
COST OF POWER KWH	250	0.0000	$	-		COST OF POWER KWH	250	0.0000	$ -		
CURRENT 2001 BILL			$	-		Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**				**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
500 kWh	**(enter)**	**$/KWH**	**$**					**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	500	0.0000	$	-		DISTRIBUTION KWH	500	#DIV/0!	#DIV/0!		
COST OF POWER KWH	500	0.0000	$	-		COST OF POWER KWH	500	0.0000	$ -		
CURRENT 2001 BILL			$	-		Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**				**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
750 kWh	**(enter)**	**$/KWH**	**$**					**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	750	0.0000	$	-		DISTRIBUTION KWH	750	#DIV/0!	#DIV/0!		
COST OF POWER KWH	750	0.0000	$	-		COST OF POWER KWH	750	0.0000	$ -		
CURRENT 2001 BILL			$	-		Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**				**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
1000 kWh	**(enter)**	**$/KWH**	**$**					**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	1000	0.0000	$	-		DISTRIBUTION KWH	1000	#DIV/0!	#DIV/0!		
COST OF POWER KWH	1000	0.0000	$	-		COST OF POWER KWH	1000	0.0000	$ -		
CURRENT 2001 BILL			$	-		Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**				**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
1500 kWh	**(enter)**	**$/KWH**	**$**					**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-		MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
DISTRIBUTION KWH	1500	0.0000	$	-		DISTRIBUTION KWH	1500	#DIV/0!	#DIV/0!		
COST OF POWER KWH	1500	0.0000	$	-		COST OF POWER KWH	1500	0.0000	$ -		

	CURRENT 2001 BILL			$ -	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!			

MONTHLY CONSUMPTION OF 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $			KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KWH	2000	0.0000	$ -		DISTRIBUTION KWH	2000	#DIV/0!	#DIV/0!		
	COST OF POWER KWH	2000	0.0000	$ -		COST OF POWER KWH	2000	0.0000	$ -		
	CURRENT 2001 BILL			$ -		Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE < 50 KW

	CURRENT 2001 BILL					2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)					
ENTER DESIRED CONSUMPTION LEVEL 1000 kWh		KWH (enter)	RATE $/KWH	CHARGE $			KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 8.89		MONTHLY SERVICE CHARGE	n/a	n/a	$ 9.39		
	DISTRIBUTION KWH	1000	0.0180	$ 18.04		DISTRIBUTION KWH	1000	0.01941	$ 19.41		
	COST OF POWER KWH	1000	0.0710	$ 71.01		COST OF POWER KWH	1000	0.0710	$ 71.01		
	CURRENT 2001 BILL			$ 97.94		Adjusted 2002 BILL			$ 99.80	$ 1.86	1.9%

MONTHLY CONSUMPTION 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $			KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 8.89		MONTHLY SERVICE CHARGE	n/a	n/a	$ 9.39		
	DISTRIBUTION KWH	2000	0.0180	$ 36.08		DISTRIBUTION KWH	2000	0.01941	$ 38.81		
	COST OF POWER KWH	2000	0.0710	$ 142.02		COST OF POWER KWH	2000	0.0710	$ 142.02		
	CURRENT 2001 BILL			$ 186.99		Adjusted 2002 BILL			$ 190.22	$ 3.23	1.7%

MONTHLY CONSUMPTION 5000 kWh		KWH (enter)	RATE $/KWH	CHARGE $			KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 8.89		MONTHLY SERVICE CHARGE	n/a	n/a	$ 9.39		
	DISTRIBUTION KWH	5000	0.0180	$ 90.20		DISTRIBUTION KWH	5000	0.01941	$ 97.03		
	COST OF POWER KWH	5000	0.0710	$ 355.05		COST OF POWER KWH	5000	0.0710	$ 355.05		
	CURRENT 2001 BILL			$ 454.14		Adjusted 2002 BILL			$ 461.46	$ 7.32	1.6%

MONTHLY CONSUMPTION 10,000 kWh		KWH (enter)	RATE $/KWH	CHARGE $			KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 8.89		MONTHLY SERVICE CHARGE	n/a	n/a	$ 9.39		
	DISTRIBUTION KWH	10000	0.0180	$ 180.40		DISTRIBUTION KWH	10000	0.01941	$ 194.05		
	COST OF POWER KWH	10000	0.0710	$ 710.10		COST OF POWER KWH	10000	0.0710	$ 710.10		
	CURRENT 2001 BILL			$ 899.39		Adjusted 2002 BILL			$ 913.54	$ 14.15	1.6%

MONTHLY CONSUMPTION 20,000 KWh		KWH (enter)	RATE $/KWH	CHARGE $			KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 8.89		MONTHLY SERVICE CHARGE	n/a	n/a	$ 9.39		
	DISTRIBUTION KWH	20000	0.0180	$ 360.80		DISTRIBUTION KWH	20000	0.01941	$ 388.10		
	COST OF POWER KWH	20000	0.0710	$ 1,420.20		COST OF POWER KWH	20000	0.0710	$ 1,420.20		
	CURRENT 2001 BILL			$ 1,789.89		Adjusted 2002 BILL			$ 1,817.69	$ 27.80	1.6%

GENERAL SERVICE > 50 KW NON TIME OF USE

	CURRENT 2001 BILL					2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)					
ENTER DESIRED CONSUMPTION LEVEL		KW (enter)	RATE $/KW	CHARGE $			KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		

	DISTRIBUTION KW	0	0.0000	$	-	DISTRIBUTION KW	0	#DIV/0!	#DIV/0!			
	COST OF POWER KW	0	0.0000	$	-	COST OF POWER KW	0	0.0000	$ -			
	COST OF POWER **KWH**	0	0.0000	$	-	COST OF POWER **KWH**	0	0.0000	$ -			
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!	

MONTHLY CONSUMPTION 100kW, 30,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	100	0.0000	$	-	DISTRIBUTION KW	100	#DIV/0!	#DIV/0!		
	COST OF POWER KW	100	0.0000	$	-	COST OF POWER KW	100	0.0000	$ -		
	COST OF POWER **KWH**	30,000	0.0000	$	-	COST OF POWER **KWH**	30,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 100kW, 40,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	100	0.0000	$	-	DISTRIBUTION KW	100	#DIV/0!	#DIV/0!		
	COST OF POWER KW	100	0.0000	$	-	COST OF POWER KW	100	0.0000	$ -		
	COST OF POWER **KWH**	40,000	0.0000	$	-	COST OF POWER **KWH**	40,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 500kW, 100,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	500	0.0000	$	-	DISTRIBUTION KW	500	#DIV/0!	#DIV/0!		
	COST OF POWER KW	500	0.0000	$	-	COST OF POWER KW	500	0.0000	$ -		
	COST OF POWER **KWH**	100,000	0.0000	$	-	COST OF POWER **KWH**	100,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 500kW, 250,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	500	0.0000	$	-	DISTRIBUTION KW	500	#DIV/0!	#DIV/0!		
	COST OF POWER KW	500	0.0000	$	-	COST OF POWER KW	500	0.0000	$ -		
	COST OF POWER **KWH**	250,000	0.0000	$	-	COST OF POWER **KWH**	250,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 1000kW, 400,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	1000	0.0000	$	-	DISTRIBUTION KW	1000	#DIV/0!	#DIV/0!		
	COST OF POWER KW	1000	0.0000	$	-	COST OF POWER KW	1000	0.0000	$ -		
	COST OF POWER **KWH**	400,000	0.0000	$	-	COST OF POWER **KWH**	400,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 1000kW, 500,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		
	DISTRIBUTION KW	1000	0.0000	$	-	DISTRIBUTION KW	1000	#DIV/0!	#DIV/0!		
	COST OF POWER KW	1000	0.0000	$	-	COST OF POWER KW	1000	0.0000	$ -		
	COST OF POWER **KWH**	500,000	0.0000	$	-	COST OF POWER **KWH**	500,000	0.0000	$ -		
	CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!		

DISTRIBUTION KW	3000	0.0000	$	-	DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!		
COST OF POWER KW	3000	0.0000	$	-	COST OF POWER KW	3000	0.0000	$ -		
COST OF POWER **KWH**	1,000,000	0.0000	$	-	COST OF POWER **KWH**	1,000,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION
3,000kW, 1,500,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!	
DISTRIBUTION KW	3000	0.0000	$	-	DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!	
COST OF POWER KW	3000	0.0000	$	-	COST OF POWER KW	3000	0.0000	$ -		
COST OF POWER **KWH**	1,500,000	0.0000	$	-	COST OF POWER **KWH**	1,500,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION
4,000kW, 1,200,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!	
DISTRIBUTION KW	4000	0.0000	$	-	DISTRIBUTION KW	4000	#DIV/0!	#DIV/0!	
COST OF POWER KW	4000	0.0000	$	-	COST OF POWER KW	4000	0.0000	$ -		
COST OF POWER **KWH**	1,200,000	0.0000	$	-	COST OF POWER **KWH**	1,200,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION
4,000kW, 1,800,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	#DIV/0!	
DISTRIBUTION KW	4000	0.0000	$	-	DISTRIBUTION KW	4000	#DIV/0!	#DIV/0!	
COST OF POWER KW	4000	0.0000	$	-	COST OF POWER KW	4000	0.0000	$ -		
COST OF POWER **KWH**	1,800,000	0.0000	$	-	COST OF POWER **KWH**	1,800,000	0.0000	$ -		
CURRENT 2001 BILL			$	-	Adjusted 2002 BILL			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE >50 KW TIME OF USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)**

ENTER DESIRED CONSUMPTION LEVELS
100kW, 40,000kWh

WINTER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	100	0.0000	$	-	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!	
kW COST OF POWER Demand Charge	100	0.0000	$	-	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE					**RATE**		
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**		
WINTER PEAK	20,000	0.0000	$	-	WINTER PEAK	20,000	0.0000	$ -		
WINTER OFF PEAK	20,000	0.0000	$	-	WINTER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$	-	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$	-	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	100	0.0000	$	-	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!	
kW COST OF POWER Demand Charge	100	0.0000	$	-	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE					**RATE**		
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**		
SUMMER PEAK	20,000	0.0000	$	-	SUMMER PEAK	20,000	0.0000	$ -		
SUMMER OFF PEAK	20,000	0.0000	$	-	SUMMER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$	-	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$	-	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE - INTERMEDIATE USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)**

ENTER DESIRED CONSUMPTION LEVELS

4000kW, 1,200,000kWh

WINTER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	4000	0.0000	$ -
kW COST OF POWER			
Demand Charge	4000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
WINTER PEAK	600,000	0.0000	$ -
WINTER OFF PEAK	600,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

WINTER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	4000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	600,000	0.0000	$ -		
WINTER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	4000	0.0000	$ -
kW COST OF POWER			
Demand Charge	4000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
SUMMER PEAK	600,000	0.0000	$ -
SUMMER OFF PEAK	600,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

SUMMER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	4000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	600,000	0.0000	$ -		
SUMMER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

LARGE USE

CURRENT 2001 BILL

2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)

ENTER DESIRED CONSUMPTION LEVELS

6000kW, 3,000,000kWh

WINTER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	6000	0.0000	$ -
kW COST OF POWER			
Demand Charge	6000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
WINTER PEAK	1,500,000	0.0000	$ -
WINTER OFF PEAK	1,500,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

WINTER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	1,500,000	0.0000	$ -		
WINTER OFF PEAK	1,500,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	6000	0.0000	$ -
kW COST OF POWER			
Demand Charge	6000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
SUMMER PEAK	1,500,000	0.0000	$ -
SUMMER OFF PEAK	1,500,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

SUMMER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	1,500,000	0.0000	$ -		
SUMMER OFF PEAK	1,500,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

Schedule of Rates and Charges

Scugog Hydro Energy Corp.

Effective March 1, 2002

(Unmetered)

RP-2002-xxxx

EB-2002-xxxx

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31

Summer: All Hours, April 1 through September 30

Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thansgiving Day, Christmas Day and Boxing Day.

Off Peak: All Other Hours.

RESIDENTIAL

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kWh)	#DIV/0!
Cost of Power Rate	(per kWh)	$0.0000

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kWh)	#DIV/0!
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$9.39
Distribution Volumetric Rate	(per kWh)	$0.0194
Cost of Power Rate	(per kWh)	$0.0710

GENERAL SERVICE < 50 KW (Time of Use)

Monthly Service Charge	(per month)	$0.60
Distribution Volumetric Rate	(per kWh)	$0.0016
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

Schedule of Rates and Charges

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kW)	#DIV/0!
Cost of Power Demand Rate	(per kW)	$0.0000
Cost of Power Energy Rate	(per kWh)	$0.0000

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kW)	#DIV/0!
Cost of Power - Winter Peak	(per kW)	$0.0000
Cost of Power - Summer Peak	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kW)	#DIV/0!
Cost of Power - Winter Peak	(per kW)	$0.0000
Cost of Power - Summer Peak	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

LARGE USE

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kW)	#DIV/0!
Cost of Power - Winter Peak	(per kW)	$0.0000
Cost of Power - Summer Peak	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

Schedule of Rates and Charges

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kW)	#DIV/0!
Cost of Power Demand Rate	(per kW)	$0.0000

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kW)	#DIV/0!
Cost of Power - Winter	(per kW)	$0.0000
Cost of Power - Summer	(per kW)	$0.0000

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kW)	#DIV/0!
Cost of Power Demand Rate	(per kW)	$0.0000

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kW)	#DIV/0!
Cost of Power - Winter	(per kW)	$0.0000
Cost of Power - Summer	(per kW)	$0.0000

MISCELLANEOUS CHARGES

New Account Setup	$	9.00
Change of Occupancy		
Account History		
Administration Fee		
Current Year Data		
Each Additional Year Data		
Arrear's Certificate		$12.70
Late Payment (19.56% annual)		1.50%
Dispute Involvement Charge		$10.00
Returned Cheque (plus actual bank charges)		$9.00
Collection of Account Charge		$9.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours		$20.00
At Meter - After Hours		$50.00
Temporary Pole Service	$	200.00
After Hours High Voltage Station Outage		
Residential Service 2nd Visit to Connect New Service		
Residential Service After Hours Visit to Connect New Service		

Schedule of Rates and Charges

Diversity Adjustmen Winter (discontinued at Ma Summer		
Transformer Discou (per kW)	$	0.60
Primary Metering Adjustment (1% of billed kW and kWh)		1%

SHEET 1 - 2001 OEB Approved Rate Schedule

V2

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

Enter the values for your 2001 OEB approved distribution rates in the appropriate areas which are highlighted in yellow.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0072
MONTHLY SERVICE CHARGE (Per Customer)	$5.73
COST OF POWER KWH RATE	$0.0762

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

COST OF POWER TIME OF USE RATES	WINTER PEAK $/KWH	WINTER OFF-PEAK $/KWH	SUMMER PEAK $/KWH	SUMMER OFF-PEAK $/KWH

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0060
MONTHLY SERVICE CHARGE (Per Customer)	$14.35
COST OF POWER KWH RATE	$0.0751

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

COST OF POWER TIME OF USE RATES	WINTER PEAK $/KWH	WINTER OFF-PEAK $/KWH	SUMMER PEAK $/KWH	SUMMER OFF-PEAK $/KWH

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.0909
MONTHLY SERVICE CHARGE (Per Customer)	$136.41
COST OF POWER KW RATE	$8.0105
COST OF POWER KWH RATE	$0.0526

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$4.5083
MONTHLY SERVICE CHARGE (Per Connection)	$1.73
COST OF POWER KW RATE	$23.3957

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.7814
MONTHLY SERVICE CHARGE (Per Connection)	$0.38
COST OF POWER KW RATE	$23.3871

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE		
MONTHLY SERVICE CHARGE (Per Connection)		
COST OF POWER TIME OF USE RATES	WINTER PEAK $/KW	SUMMER PEAK $/KW

MISCELLANEOUS CHARGES

ADD 2001 OEB APPROVED MISCELLANEOUS CHARGES BELOW.
Please enter these charges exactly as they are entered in your current approved rate schedule.
Please add your specific charges as necessary.

New Account Setup		$ 9.00
Change of Occupancy		
Account History		
Administration Fee		
Current Year Data		
Each Additional Year Data		
Arrear's Certificate		$12.70
Late Payment (19.56% annual)		1.50%
Dispute Involvement Charge		$10.00
Returned Cheque (plus actual bank charges)		$9.00
Collection of Account Charge		$9.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours		$20.00
At Meter - After Hours		$50.00
Temporary Pole Service		$ 200.00
After Hours High Voltage Station Outage		
Residential Service 2nd Visit to Connect New Service		
Residential Service After Hours Visit to Connect New Service		
Diversity Adjustment Credit (per KW)	Winter	
(discontinued at Market Opening)	Summer	
Transformer Discount (customer owned)	(per kW)	$ 0.60
Primary Metering Adjustment (1% of billed kW	and kWh)	1%
(discontinued at Market Opening)	Summer	$1.68

SHEET 2 - 2002 Rate Schedule including 2nd Year PBR Adjustment

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

Enter the IPI for 2001 when released by the Board in January.

IPI	PF	Adjustment Factor
0.4%	-1.5%	-1.1%

or

98.90%

of current rates.

This schedule includes distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.007081
MONTHLY SERVICE CHARGE (Per Customer)	$5.6670
COST OF POWER KWH RATE	$0.0762

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.005964
MONTHLY SERVICE CHARGE (Per Customer)	$14.1922
COST OF POWER KWH RATE	$0.07513

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.078861
MONTHLY SERVICE CHARGE (Per Customer)	$134.9095
COST OF POWER KW RATE	$8.0105
COST OF POWER KWH RATE	$0.0526

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE $0.000000

MONTHLY SERVICE CHARGE (Per Customer) $0.0000

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE $0.000000

MONTHLY SERVICE CHARGE (Per Customer) $0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE $4.458659

MONTHLY SERVICE CHARGE (Per Connection) $1.7110

COST OF POWER KW RATE $23.3957

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE $0.0000

MONTHLY SERVICE CHARGE (Per Connection) $0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE $2.7508

MONTHLY SERVICE CHARGE (Per Connection) $0.3758

COST OF POWER KW RATE $23.3871

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE $0.0000

MONTHLY SERVICE CHARGE (Per Connection) $0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 3 - Calculating Rate Increases using 1999 LDC Data and adding 2002 Incremental MARR

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule requires LDCs to input the 1999 statistics (identical to those in your approved RUD Model) which will be used to allocate distribution revenue to rate classes and also used to determine 2002 rate additions to recover the additional 1/3 of incremental MARR.
If your LDC has other issues that will have a permanent impact on MARR (change in late payment policy or other revenue adjustments) you must justify them and provide evidence in your manager's summary.

Enter the permanent revenue adjustment amount here: $ - Cell G36 will be adjusted by this amount.

Enter the 1/3 of incremental MARR used in the RUD Model that your LDC used for approved 2001 rates. $0.00

Enter the 1/3 of incremental MARR you seek to recover in 2002 (should be same as previous entry) $0.00

Enter the 1/3 of incremental MARR you will seek to recover in 2003 (should be same as first 1/3 increment) $0.00

Use the Table below to enter the 1999 statistics for your LDC. These should be the same as reported to the OEB in your approved RUD Model used to set current rates. The share of class distribution revenue in 1999 is used to allocate the additional 1/3 incremental MARR to the classes for 2002 rates.

1999 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	1999 Revenue Shares	2002 1/3 MARR Allocations
RESIDENTIAL CLASS	-	19,316,140	1,828	$228,470.64	57.20%	$ -
GENERAL SERVICE <50 KW CLASS	-	10,343,285	329	$102,992.00	25.79%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	34,691		21	$62,489.00	15.65%	$ -
GENERAL SERVICE >50 KW TIME OF USE					0.00%	$ -
INTERMEDIATE USE					0.00%	$ -
LARGE USER CLASS					0.00%	$ -
SENTINEL LIGHTS	81		16	$603.00	0.15%	$ -
STREET LIGHTING CLASS	1,057		579	$4,852.00	1.21%	$ -
TOTALS				$399,406.64	1.00	$ -
		Allocated Total for 2002 including adjustments at Cell B13 ==>				$ -

Residential Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KWH	19,316,140		
(C) NUMBER OF CUSTOMERS		1,828	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$0.0000	

General Service <50kW Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G27 above)	$ -	$ -	$ -
(B) RETAIL KWH	10,343,285		
(C) NUMBER OF CUSTOMERS		329	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and		$0.0000	

the total new Service Charge appears on the Rate Schedule on Sheet 4)

General Service >50kW Class Non TOU

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G28 above)	$ -	$ -	$ -
(B) RETAIL KW	34,691		
(C) NUMBER OF CUSTOMERS		21	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$0.0000	

General Service >50kW ClassTOU

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
			0%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		#DIV/0!	

Intermediate Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
			0%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G30 above)	$ -	$ -	$ -
(B) RETAIL KW	0		

(C) NUMBER OF CUSTOMERS -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #DIV/0!
(this amount is added to the kW rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #DIV/0!
(this amount is added to the Service Charge shown on Sheet 2 and
the total new Service Charge appears on the Rate Schedule on Sheet 4)

Large User Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
			0%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G31 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		#DIV/0!	

Sentinel Lighting Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G32 above)	$ -	$ -	$ -
(B) RETAIL KW	81		
(C) NUMBER OF CUSTOMERS (Connections)		16	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$0.0000	

Streetlighting Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G33 above)	$ -	$ -	$ -
(B) RETAIL KW	1,057		
(C) NUMBER OF CUSTOMERS		579	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$0.0000	

SHEET 4 - 2002 Base Rate Schedule including 2002 1/3 Incremental MARR Adjustment

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment and the addition of the 2nd Installment of 1/3 Incremental MARR.

This is the **Base Rate Schedule** which will be used as the base for the March 1, 2003 PBR Rate Adjustment.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0071
MONTHLY SERVICE CHARGE (Per Customer)	$5.67
COST OF POWER KWH RATE	$0.0762

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0060
MONTHLY SERVICE CHARGE (Per Customer)	$14.19
COST OF POWER KWH RATE	$0.0751

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.0789
MONTHLY SERVICE CHARGE (Per Customer)	$134.91
COST OF POWER KW RATE	$8.0105
COST OF POWER KWH RATE	$0.0526

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$4.4587
MONTHLY SERVICE CHARGE (Per Connection)	$1.71
COST OF POWER KW RATE	$23.3957

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.7508
MONTHLY SERVICE CHARGE (Per Connection)	$0.38
COST OF POWER KW RATE	$23.3871

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 5 - Bill Impact Analysis for 2002 Rate Schedule including IPI-PF & 2002 1/3 Incremental MARR Adjustment

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule shows the bill impactsusing the 2002 Base Rate Schedule which includes
the IPI - PF 2nd year PBR rate adjustment and the addition of the 2nd Installment of 1/3 Incremental MARR.

BILL IMPACT ANALYSIS: Current Bill vs. 2002 Base Rate Schedule (including IPI-PF & 1/3 Incremental MARR)

RESIDENTIAL CLASS

NON-TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL		CURRENT 2001 BILL					2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)						
		KWH (enter)	RATE $/KWH		CHARGE $			KWH	RATE $/KWH		CHARGE $	IMPACT DOLLARS	IMPACT %
100 kWh													
MONTHLY SERVICE CHARGE		n/a	n/a	$	5.73		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.67		
DISTRIBUTION KWH		100	0.0072	$	0.72		DISTRIBUTION KWH	100	0.00708	$	0.71		
COST OF POWER	KWH	100	0.0762	$	7.62		COST OF POWER	KWH 100	0.0762	$	7.62		
CURRENT 2001 BILL				$	14.07		Adjusted 2002 BILL			$	14.00	$ (0.07)	-0.5%
250 kWh													
MONTHLY SERVICE CHARGE		n/a	n/a	$	5.73		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.67		
DISTRIBUTION KWH		250	0.0072	$	1.79		DISTRIBUTION KWH	250	0.00708	$	1.77		
COST OF POWER	KWH	250	0.0762	$	19.06		COST OF POWER	KWH 250	0.0762	$	19.06		
CURRENT 2001 BILL				$	26.58		Adjusted 2002 BILL			$	26.49	$ (0.08)	-0.3%
500 kWh													
MONTHLY SERVICE CHARGE		n/a	n/a	$	5.73		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.67		
DISTRIBUTION KWH		500	0.0072	$	3.58		DISTRIBUTION KWH	500	0.00708	$	3.54		
COST OF POWER	KWH	500	0.0762	$	38.12		COST OF POWER	KWH 500	0.0762	$	38.12		
CURRENT 2001 BILL				$	47.43		Adjusted 2002 BILL			$	47.32	$ (0.10)	-0.2%
750 kWh													
MONTHLY SERVICE CHARGE		n/a	n/a	$	5.73		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.67		
DISTRIBUTION KWH		750	0.0072	$	5.37		DISTRIBUTION KWH	750	0.00708	$	5.31		
COST OF POWER	KWH	750	0.0762	$	57.17		COST OF POWER	KWH 750	0.0762	$	57.17		
CURRENT 2001 BILL				$	68.27		Adjusted 2002 BILL			$	68.15	$ (0.12)	-0.2%
1000 kWh													
MONTHLY SERVICE CHARGE		n/a	n/a	$	5.73		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.67		
DISTRIBUTION KWH		1000	0.0072	$	7.16		DISTRIBUTION KWH	1000	0.00708	$	7.08		
COST OF POWER	KWH	1000	0.0762	$	76.23		COST OF POWER	KWH 1000	0.0762	$	76.23		
CURRENT 2001 BILL				$	89.12		Adjusted 2002 BILL			$	88.98	$ (0.14)	-0.2%
1500 kWh													
MONTHLY SERVICE CHARGE		n/a	n/a	$	5.73		MONTHLY SERVICE CHARGE	n/a	n/a	$	5.67		
DISTRIBUTION KWH		1500	0.0072	$	10.74		DISTRIBUTION KWH	1500	0.00708	$	10.62		

	COST OF POWER	KWH	1500	0.0762	$	114.35	COST OF POWER	KWH	1500	0.0762	$	114.35		
	CURRENT 2001 BILL				$	130.82	Adjusted 2002 BILL				$	130.63	$ (0.18)	-0.1%

MONTHLY CONSUMPTION OF 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $			KWH	RATE $/KWH	CHARGE $		IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	MONTHLY SERVICE CHARGE	n/a	n/a	$	5.67		
	DISTRIBUTION KWH	2000	0.0072	$	14.32	DISTRIBUTION KWH	2000	0.00708	$	14.16		
	COST OF POWER KWH	2000	0.0762	$	152.46	COST OF POWER KWH	2000	0.0762	$	152.46		
	CURRENT 2001 BILL			$	172.51	Adjusted 2002 BILL			$	172.29	$ (0.22)	-0.1%

GENERAL SERVICE < 50 KW

	CURRENT 2001 BILL					2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)						
ENTER DESIRED CONSUMPTION LEVEL												
1000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	14.35	MONTHLY SERVICE CHARGE	n/a	n/a	$	14.19		
	DISTRIBUTION KWH	1000	0.0060	$	6.03	DISTRIBUTION KWH	1000	0.00596	$	5.96		
	COST OF POWER KWH	1000	0.0751	$	75.13	COST OF POWER KWH	1000	0.0751	$	75.13		
	CURRENT 2001 BILL			$	95.51	Adjusted 2002 BILL			$	95.29	$ (0.22)	-0.2%
MONTHLY CONSUMPTION 2000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	14.35	MONTHLY SERVICE CHARGE	n/a	n/a	$	14.19		
	DISTRIBUTION KWH	2000	0.0060	$	12.06	DISTRIBUTION KWH	2000	0.00596	$	11.93		
	COST OF POWER KWH	2000	0.0751	$	150.26	COST OF POWER KWH	2000	0.0751	$	150.26		
	CURRENT 2001 BILL			$	176.67	Adjusted 2002 BILL			$	176.38	$ (0.29)	-0.2%
MONTHLY CONSUMPTION 5000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	14.35	MONTHLY SERVICE CHARGE	n/a	n/a	$	14.19		
	DISTRIBUTION KWH	5000	0.0060	$	30.15	DISTRIBUTION KWH	5000	0.00596	$	29.82		
	COST OF POWER KWH	5000	0.0751	$	375.65	COST OF POWER KWH	5000	0.0751	$	375.65		
	CURRENT 2001 BILL			$	420.15	Adjusted 2002 BILL			$	419.66	$ (0.49)	-0.1%
MONTHLY CONSUMPTION 10,000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	14.35	MONTHLY SERVICE CHARGE	n/a	n/a	$	14.19		
	DISTRIBUTION KWH	10000	0.0060	$	60.30	DISTRIBUTION KWH	10000	0.00596	$	59.64		
	COST OF POWER KWH	10000	0.0751	$	751.30	COST OF POWER KWH	10000	0.0751	$	751.30		
	CURRENT 2001 BILL			$	825.95	Adjusted 2002 BILL			$	825.13	$ (0.82)	-0.1%
MONTHLY CONSUMPTION 20,000 KWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	14.35	MONTHLY SERVICE CHARGE	n/a	n/a	$	14.19		
	DISTRIBUTION KWH	20000	0.0060	$	120.60	DISTRIBUTION KWH	20000	0.00596	$	119.27		
	COST OF POWER KWH	20000	0.0751	$	1,502.60	COST OF POWER KWH	20000	0.0751	$	1,502.60		
	CURRENT 2001 BILL			$	1,637.55	Adjusted 2002 BILL			$	1,636.07	$ (1.48)	-0.1%

GENERAL SERVICE > 50 KW NON TIME OF USE

	CURRENT 2001 BILL	2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)
ENTER DESIRED CONSUMPTION LEVEL		

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
DISTRIBUTION KW	0	1.0909	$ -	DISTRIBUTION KW	0	1.07886	$ -		
COST OF POWER KW	0	8.0105	$ -	COST OF POWER KW	0	8.0105	$ -		
COST OF POWER **KWH**	0	0.0526	$ -	COST OF POWER **KWH**	0	0.0526	$ -		
CURRENT 2001 BILL			$ 136.41	Adjusted 2002 BILL			$ 134.91	$ (1.50)	-1.1%

MONTHLY CONSUMPTION 100kW, 30,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
DISTRIBUTION KW	100	1.0909	$ 109.09	DISTRIBUTION KW	100	1.07886	$ 107.89		
COST OF POWER KW	100	8.0105	$ 801.05	COST OF POWER KW	100	8.0105	$ 801.05		
COST OF POWER **KWH**	30,000	0.0526	$ 1,576.80	COST OF POWER **KWH**	30,000	0.0526	$ 1,576.80		
CURRENT 2001 BILL			$ 2,623.35	Adjusted 2002 BILL			$ 2,620.65	$ (2.70)	-0.1%

MONTHLY CONSUMPTION 100kW, 40,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
DISTRIBUTION KW	100	1.0909	$ 109.09	DISTRIBUTION KW	100	1.07886	$ 107.89		
COST OF POWER KW	100	8.0105	$ 801.05	COST OF POWER KW	100	8.0105	$ 801.05		
COST OF POWER **KWH**	40,000	0.0526	$ 2,102.40	COST OF POWER **KWH**	40,000	0.0526	$ 2,102.40		
CURRENT 2001 BILL			$ 3,148.95	Adjusted 2002 BILL			$ 3,146.25	$ (2.70)	-0.1%

MONTHLY CONSUMPTION 500kW, 100,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
DISTRIBUTION KW	500	1.0909	$ 545.43	DISTRIBUTION KW	500	1.07886	$ 539.43		
COST OF POWER KW	500	8.0105	$ 4,005.27	COST OF POWER KW	500	8.0105	$ 4,005.27		
COST OF POWER **KWH**	100,000	0.0526	$ 5,256.00	COST OF POWER **KWH**	100,000	0.0526	$ 5,256.00		
CURRENT 2001 BILL			$ 9,943.11	Adjusted 2002 BILL			$ 9,935.60	$ (7.50)	-0.1%

MONTHLY CONSUMPTION 500kW, 250,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
DISTRIBUTION KW	500	1.0909	$ 545.43	DISTRIBUTION KW	500	1.07886	$ 539.43		
COST OF POWER KW	500	8.0105	$ 4,005.27	COST OF POWER KW	500	8.0105	$ 4,005.27		
COST OF POWER **KWH**	250,000	0.0526	$ 13,140.00	COST OF POWER **KWH**	250,000	0.0526	$ 13,140.00		
CURRENT 2001 BILL			$ 17,827.11	Adjusted 2002 BILL			$ 17,819.60	$ (7.50)	0.0%

MONTHLY CONSUMPTION 1000kW, 400,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
DISTRIBUTION KW	1000	1.0909	$ 1,090.86	DISTRIBUTION KW	1000	1.07886	$ 1,078.86		
COST OF POWER KW	1000	8.0105	$ 8,010.53	COST OF POWER KW	1000	8.0105	$ 8,010.53		
COST OF POWER **KWH**	400,000	0.0526	$ 21,024.00	COST OF POWER **KWH**	400,000	0.0526	$ 21,024.00		
CURRENT 2001 BILL			$ 30,261.80	Adjusted 2002 BILL			$ 30,248.30	$ (13.50)	0.0%

MONTHLY CONSUMPTION 1000kW, 500,000kWh

	KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
DISTRIBUTION KW	1000	1.0909	$ 1,090.86	DISTRIBUTION KW	1000	1.07886	$ 1,078.86		
COST OF POWER KW	1000	8.0105	$ 8,010.53	COST OF POWER KW	1000	8.0105	$ 8,010.53		
COST OF POWER **KWH**	500,000	0.0526	$ 26,280.00	COST OF POWER **KWH**	500,000	0.0526	$ 26,280.00		
CURRENT 2001 BILL			$ 35,517.80	Adjusted 2002 BILL			$ 35,504.30	$ (13.50)	0.0%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh		KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
	DISTRIBUTION KW	3000	1.0909	$ 3,272.58	DISTRIBUTION KW	3000	1.07886	$ 3,236.58		
	COST OF POWER KW	3000	8.0105	$ 24,031.59	COST OF POWER KW	3000	8.0105	$ 24,031.59		
	COST OF POWER **KWH**	1,000,000	0.0526	$ 52,560.00	COST OF POWER **KWH**	1,000,000	0.0526	$ 52,560.00		
	CURRENT 2001 BILL			$ 80,000.58	Adjusted 2002 BILL			$ 79,963.08	$ (37.50)	0.0%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh		KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
	DISTRIBUTION KW	3000	1.0909	$ 3,272.58	DISTRIBUTION KW	3000	1.07886	$ 3,236.58		
	COST OF POWER KW	3000	8.0105	$ 24,031.59	COST OF POWER KW	3000	8.0105	$ 24,031.59		
	COST OF POWER **KWH**	1,500,000	0.0526	$ 78,840.00	COST OF POWER **KWH**	1,500,000	0.0526	$ 78,840.00		
	CURRENT 2001 BILL			$ 106,280.58	Adjusted 2002 BILL			$ 106,243.08	$ (37.50)	0.0%

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh		KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
	DISTRIBUTION KW	4000	1.0909	$ 4,363.44	DISTRIBUTION KW	4000	1.07886	$ 4,315.44		
	COST OF POWER KW	4000	8.0105	$ 32,042.12	COST OF POWER KW	4000	8.0105	$ 32,042.12		
	COST OF POWER **KWH**	1,200,000	0.0526	$ 63,072.00	COST OF POWER **KWH**	1,200,000	0.0526	$ 63,072.00		
	CURRENT 2001 BILL			$ 99,613.97	Adjusted 2002 BILL			$ 99,564.47	$ (49.50)	0.0%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh		KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 134.91		
	DISTRIBUTION KW	4000	1.0909	$ 4,363.44	DISTRIBUTION KW	4000	1.07886	$ 4,315.44		
	COST OF POWER KW	4000	8.0105	$ 32,042.12	COST OF POWER KW	4000	8.0105	$ 32,042.12		
	COST OF POWER **KWH**	1,800,000	0.0526	$ 94,608.00	COST OF POWER **KWH**	1,800,000	0.0526	$ 94,608.00		
	CURRENT 2001 BILL			$ 131,149.97	Adjusted 2002 BILL			$ 131,100.47	$ (49.50)	0.0%

GENERAL SERVICE >50 KW TIME OF USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**

ENTER DESIRED CONSUMPTION LEVELS
100kW, 40,000kWh

WINTER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$ -	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	20,000	0.0000	$ -	WINTER PEAK	20,000	0.0000	$ -		
WINTER OFF PEAK	20,000	0.0000	$ -	WINTER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$ -	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	20,000	0.0000	$ -	SUMMER PEAK	20,000	0.0000	$ -		
SUMMER OFF PEAK	20,000	0.0000	$ -	SUMMER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		

TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE - INTERMEDIATE USE

	CURRENT 2001 BILL				**2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**				
ENTER DESIRED CONSUMPTION LEVELS									
4000kW, 1,200,000kWh	**WINTER**				**WINTER**				
	KW	**RATE $/kW**	**CHARGE $**			**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION					DISTRIBUTION				
kW	4000	0.0000	$ -		kW	4000	#DIV/0!	#DIV/0!	
kW COST OF POWER					kW COST OF POWER				
Demand Charge	4000	0.0000	$ -		Demand Charge	4000	0.0000	$ -	
		RATE					**RATE**		
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**		
WINTER PEAK	600,000	0.0000	$ -		WINTER PEAK	600,000	0.0000	$ -	
WINTER OFF PEAK	600,000	0.0000	$ -		WINTER OFF PEAK	600,000	0.0000	$ -	
MONTHLY SERVICE CHARGE			$ -		MONTHLY SERVICE CHARGE			#DIV/0!	
TOTAL			$ -		**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!
SUMMER					**SUMMER**				
	KW	**RATE $/kW**	**CHARGE $**			**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION					DISTRIBUTION				
kW	4000	0.0000	$ -		kW	4000	#DIV/0!	#DIV/0!	
kW COST OF POWER					kW COST OF POWER				
Demand Charge	4000	0.0000	$ -		Demand Charge	4000	0.0000	$ -	
		RATE					**RATE**		
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**		
SUMMER PEAK	600,000	0.0000	$ -		SUMMER PEAK	600,000	0.0000	$ -	
SUMMER OFF PEAK	600,000	0.0000	$ -		SUMMER OFF PEAK	600,000	0.0000	$ -	
MONTHLY SERVICE CHARGE			$ -		MONTHLY SERVICE CHARGE			#DIV/0!	
TOTAL			$ -		**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

LARGE USE

	CURRENT 2001 BILL				**2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**				
ENTER DESIRED CONSUMPTION LEVELS									
6000kW, 3,000,000kWh	**WINTER**				**WINTER**				
	KW	**RATE $/kW**	**CHARGE $**			**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION					DISTRIBUTION				
kW	6000	0.0000	$ -		kW	6000	#DIV/0!	#DIV/0!	
kW COST OF POWER					kW COST OF POWER				
Demand Charge	6000	0.0000	$ -		Demand Charge	6000	0.0000	$ -	
		RATE					**RATE**		
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**		
WINTER PEAK	1,500,000	0.0000	$ -		WINTER PEAK	1,500,000	0.0000	$ -	
WINTER OFF PEAK	1,500,000	0.0000	$ -		WINTER OFF PEAK	1,500,000	0.0000	$ -	
MONTHLY SERVICE CHARGE			$ -		MONTHLY SERVICE CHARGE			#DIV/0!	
TOTAL			$ -		**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!
SUMMER					**SUMMER**				
	KW	**RATE $/kW**	**CHARGE $**			**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION					DISTRIBUTION				
kW	6000	0.0000	$ -		kW	6000	#DIV/0!	#DIV/0!	
kW COST OF POWER					kW COST OF POWER				
Demand Charge	6000	0.0000	$ -		Demand Charge	6000	0.0000	$ -	
		RATE					**RATE**		
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**		
SUMMER PEAK	1,500,000	0.0000	$ -		SUMMER PEAK	1,500,000	0.0000	$ -	
SUMMER OFF PEAK	1,500,000	0.0000	$ -		SUMMER OFF PEAK	1,500,000	0.0000	$ -	
MONTHLY SERVICE CHARGE			$ -		MONTHLY SERVICE CHARGE			#DIV/0!	
TOTAL			$ -		**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SHEET 6 - 2001 PILs Deferral Account Estimate Adder Calculation

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule allows LDCs to input the calculated value for the 2001 PILs Defferal Account. Use the methodolgy released by the Board on December 21, 2001.

Enter the Estimated Value for the 2001 PILs Defferal Account. $ 4,965.18

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2001 PILs defferal amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

2001 Statistics by Class	**kW**	**kWh**	**Number of Customers**	**Distribution Revenues**	**2001 Revenue Shares**	**2001 PILs Deferral Allocations**
RESIDENTIAL CLASS	-	20,073,000	1,887	$228,470.64	57.20%	$ 2,840.21
GENERAL SERVICE <50 KW CLASS	-	10,954,680	311	$102,992.00	25.79%	$ 1,280.33
GENERAL SERVICE >50 KW NON TIME OF USE	36,485	-	23	$62,489.00	15.65%	$ 776.83
GENERAL SERVICE >50 KW TIME OF USE	0	-	0	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	0	$0.00	0.00%	$ -
LARGE USER CLASS	0	-	0	$0.00	0.00%	$ -
SENTINEL LIGHTS	80	-	22	$603.00	0.15%	$ 7.50
STREET LIGHTING CLASS	1,133	-	617	$4,852.00	1.21%	$ 60.32
TOTALS				$399,406.64	1.00	4,965.18
						$ 4,965.18

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G26 above)	$ 1,488.27	$ 1,351.94	$ 2,840.21
(B) RETAIL KWH	20,073,000		
(C) NUMBER OF CUSTOMERS		1,887	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/((this amount is added to the kWh rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.000074		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$0.0597	

General Service <50kW Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G27 above)	$ 670.89	$ 609.44	$ 1,280.33
(B) RETAIL KWH	10,954,680		
(C) NUMBER OF CUSTOMERS		311	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/((this amount is added to the kWh rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.000061		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$0.1633	

General Service >50kW Class Non TOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G28 above)	$ 407.06	$ 369.77	$ 776.83
(B) RETAIL KW	36,485		
(C) NUMBER OF CUSTOMERS		23	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.011157		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$1.3397	

General Service >50kW ClassTOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	0.000	1.000	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		#DIV/0!	

Intermediate Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	Percentage	Percentage	
	0.000	1.000	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G30 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		#DIV/0!	

Large User Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	Percentage	Percentage	
	0.000	1.000	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G31 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		#DIV/0!	

Sentinel Lighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G32 above)	$ 3.93	$ 3.57	$ 7.50
(B) RETAIL KW	80		
(C) NUMBER OF CUSTOMERS		22	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.049100		

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)	$0.0135

Streetlighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G33 above)	$ 31.61	$ 28.71	$ 60.32
(B) RETAIL KW	1,133		
(C) NUMBER OF CUSTOMERS (Connections)		617	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.027896		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$0.0039	

SHEET 7 - 2002 Rate Schedule including 2001PILs Deferral Account Estimate Adder

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the addition of the 2nd Installment of 1/3 Incremental MARR and 2001PILs Deferral Account Estimate Adder.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00716
MONTHLY SERVICE CHARGE (Per Customer)	$5.72667
COST OF POWER KWH RATE	$0.07623

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00007
MONTHLY SERVICE CHARGE (Per Customer)	$0.05970

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.00602
MONTHLY SERVICE CHARGE (Per Customer)	$14.35545
COST OF POWER KWH RATE	$0.075130

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00006
MONTHLY SERVICE CHARGE (Per Customer)	$0.16330

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.09002
MONTHLY SERVICE CHARGE (Per Customer)	$136.24923
COST OF POWER KW RATE	$8.010530
COST OF POWER KWH RATE	$0.052560

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$4.50776
MONTHLY SERVICE CHARGE (Per Connection)	$1.72449
COST OF POWER KW RATE	$23.3957

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.04910
MONTHLY SERVICE CHARGE (Per Connection)	$0.01352

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.77874
MONTHLY SERVICE CHARGE (Per Connection)	$0.37970
COST OF POWER KW RATE	$23.3871

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.02790
MONTHLY SERVICE CHARGE (Per Connection)	$0.00388

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 8 - 2002 PILs Proxy Estimate Adder Calculation

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	Jan. 25, 2002		

This schedule allows LDCs to input the calculated value for the 2002 PILs Proxy Estimate. Use the methodolgy released by the Board on December 21, 2001.

Enter the Estimated Value for the 2002 PILs Proxy $ 25,778.10

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2002 PILs Proxy Estimate amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

When this data was added on Sheet 6, it will also appear in the table below.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 PILs Estimate Allocations
RESIDENTIAL CLASS	-	20,073,000	1,887	$228,470.64	57.20%	$ 14,745.72
GENERAL SERVICE <50 KW CLASS	-	10,954,680	311	$102,992.00	25.79%	$ 6,647.21
GENERAL SERVICE >50 KW NON TIME OF USE	36,485	-	23	$62,489.00	15.65%	$ 4,033.10
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	0	-	-	$0.00	0.00%	$ -
SENTINEL LIGHTS	80	-	22	$603.00	0.15%	$ 38.92
STREET LIGHTING CLASS	1,133	-	617	$4,852.00	1.21%	$ 313.15
TOTALS				$399,406.64	1.00	25,778.10
						$ 25,778.10

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 PILs (Total in Cell G26 above)	$ 7,726.76	$ 7,018.96	$ 14,745.72
(B) RETAIL KWH	20,073,000		
(C) NUMBER OF CUSTOMERS		1,887	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(I (this amount is added to the kWh rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.000385		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$0.3100	

General Service <50kW Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2002 PILs (Total in Cell G27 above)	$ 3,483.14	$ 3,164.07	$ 6,647.21
(B) RETAIL KWH	10,954,680		
(C) NUMBER OF CUSTOMERS		311	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(I (this amount is added to the kWh rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.000318		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$0.8478	

General Service >50kW Class Non TOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2002 PILs (Total in Cell G28 above)	$ 2,113.35	$ 1,919.76	$ 4,033.10
(B) RETAIL KW	36,485		
(C) NUMBER OF CUSTOMERS		23	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.057924		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$6.9556	

General Service >50kW ClassTOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.000	1.000	100%
(A) ALLOCATED 2002 PILs (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		#DIV/0!	

Intermediate Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.000	1.000	100%
(A) ALLOCATED 2002 PILs (Total in Cell G30 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		#DIV/0!	

Large User Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.000	1.000	100%
(A) ALLOCATED 2002 PILs (Total in Cell G31 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		#DIV/0!	

Sentinel Lighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2002 PILs (Total in Cell G32 above)	$ 20.39	$ 18.53	$ 38.92
(B) RETAIL KW	80		
(C) NUMBER OF CUSTOMERS		22	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.254914		

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)	$0.0702

Streetlighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.524	0.476	100%
(A) ALLOCATED 2002 PILs (Total in Cell G33 above)	$ 164.09	$ 149.06	$ 313.15
(B) RETAIL KW	1,133		
(C) NUMBER OF CUSTOMERS (Connections)		617	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.144830		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$0.0201	

SHEET 9 - 2002 Rate Schedule including 2001 and 2002 PILs Estimate Adders

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the 2nd Installment of 1/3 Incremental MARR, the 2001PILs Deferral Account Estimate Adder, and the 2002 PILs Estimate Adder. If you are not applying to recover any Z-factors or transistion costs for March 1, 2002, this becomes your final 2002 Rate Schedule and will appear at Sheet 16.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00754
MONTHLY SERVICE CHARGE (Per Customer)	$6.03664
COST OF POWER KWH RATE	$0.07623

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00046
MONTHLY SERVICE CHARGE (Per Customer)	$0.36967

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.00634
MONTHLY SERVICE CHARGE (Per Customer)	$15.20327
COST OF POWER KWH RATE	$0.075130

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00038
MONTHLY SERVICE CHARGE (Per Customer)	$1.01112

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.14794
MONTHLY SERVICE CHARGE (Per Customer)	$143.20487
COST OF POWER KW RATE	$8.010530
COST OF POWER KWH RATE	$0.052560

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$4.76267
MONTHLY SERVICE CHARGE (Per Connection)	$1.79466
COST OF POWER KW RATE	$23.3957

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.30401	
MONTHLY SERVICE CHARGE (Per Connection)	$0.08369	
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.92357
MONTHLY SERVICE CHARGE (Per Connection)	$0.39983
COST OF POWER KW RATE	$23.3871

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.17273	
MONTHLY SERVICE CHARGE (Per Connection)	$0.02401	
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 10 - Bill Impact Analysis for 2002 Rate Schedule after 2001 and 2002 PILs Adjustments

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule shows the bill impacts using the 2002 Rate Schedule which includes the IPI - PF 2nd year PBR rate adjustment, the addition of the 2nd Installment of 1/3 Incremental MARR, the 2001 PILs deferral account estimate and the 2002 PILs estimate.

BILL IMPACT ANALYSIS: Current Bill vs. 2002 Bill (including IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)

RESIDENTIAL CLASS

NON-TIME OF USE

	CURRENT 2001 BILL				2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)					
ENTER DESIRED CONSUMPTION LEVEL	**KWH**	**RATE**	**CHARGE**			**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
100 kWh	**(enter)**	**$/KWH**	**$**				**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.04		
DISTRIBUTION KWH	100	0.0072	$	0.72	DISTRIBUTION KWH	100	0.00754	$ 0.75		
COST OF POWER KWH	100	0.0762	$	7.62	COST OF POWER KWH	100	0.0762	$ 7.62		
CURRENT 2001 BILL			$	14.07	Adjusted 2002 BILL			$ 14.41	$ 0.34	2.4%
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**			**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
250 kWh	**(enter)**	**$/KWH**	**$**				**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.04		
DISTRIBUTION KWH	250	0.0072	$	1.79	DISTRIBUTION KWH	250	0.00754	$ 1.89		
COST OF POWER KWH	250	0.0762	$	19.06	COST OF POWER KWH	250	0.0762	$ 19.06		
CURRENT 2001 BILL			$	26.58	Adjusted 2002 BILL			$ 26.98	$ 0.40	1.5%
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**			**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
500 kWh	**(enter)**	**$/KWH**	**$**				**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.04		
DISTRIBUTION KWH	500	0.0072	$	3.58	DISTRIBUTION KWH	500	0.00754	$ 3.77		
COST OF POWER KWH	500	0.0762	$	38.12	COST OF POWER KWH	500	0.0762	$ 38.12		
CURRENT 2001 BILL			$	47.43	Adjusted 2002 BILL			$ 47.92	$ 0.50	1.0%
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**			**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
750 kWh	**(enter)**	**$/KWH**	**$**				**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.04		
DISTRIBUTION KWH	750	0.0072	$	5.37	DISTRIBUTION KWH	750	0.00754	$ 5.66		
COST OF POWER KWH	750	0.0762	$	57.17	COST OF POWER KWH	750	0.0762	$ 57.17		
CURRENT 2001 BILL			$	68.27	Adjusted 2002 BILL			$ 68.86	$ 0.59	0.9%
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**			**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
1000 kWh	**(enter)**	**$/KWH**	**$**				**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.04		
DISTRIBUTION KWH	1000	0.0072	$	7.16	DISTRIBUTION KWH	1000	0.00754	$ 7.54		
COST OF POWER KWH	1000	0.0762	$	76.23	COST OF POWER KWH	1000	0.0762	$ 76.23		
CURRENT 2001 BILL			$	89.12	Adjusted 2002 BILL			$ 89.81	$ 0.69	0.8%
MONTHLY CONSUMPTION OF	**KWH**	**RATE**	**CHARGE**			**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
1500 kWh	**(enter)**	**$/KWH**	**$**				**$/KWH**	**$**	**DOLLARS**	**%**
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.04		
DISTRIBUTION KWH	1500	0.0072	$	10.74	DISTRIBUTION KWH	1500	0.00754	$ 11.31		
COST OF POWER KWH	1500	0.0762	$	114.35	COST OF POWER KWH	1500	0.0762	$ 114.35		

	CURRENT 2001 BILL			$ 130.82	Adjusted 2002 BILL			$ 131.69	$ 0.88	0.7%

MONTHLY CONSUMPTION OF 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 5.73	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.04		
	DISTRIBUTION KWH	2000	0.0072	$ 14.32	DISTRIBUTION KWH	2000	0.00754	$ 15.08		
	COST OF POWER KWH	2000	0.0762	$ 152.46	COST OF POWER KWH	2000	0.0762	$ 152.46		
	CURRENT 2001 BILL			$ 172.51	Adjusted 2002 BILL			$ 173.58	$ 1.07	0.6%

GENERAL SERVICE < 50 KW

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**

ENTER DESIRED CONSUMPTION LEVEL

1000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 14.35	MONTHLY SERVICE CHARGE	n/a	n/a	$ 15.20		
	DISTRIBUTION KWH	1000	0.0060	$ 6.03	DISTRIBUTION KWH	1000	0.00634	$ 6.34		
	COST OF POWER KWH	1000	0.0751	$ 75.13	COST OF POWER KWH	1000	0.0751	$ 75.13		
	CURRENT 2001 BILL			$ 95.51	Adjusted 2002 BILL			$ 96.68	$ 1.17	1.2%

MONTHLY CONSUMPTION 2000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 14.35	MONTHLY SERVICE CHARGE	n/a	n/a	$ 15.20		
	DISTRIBUTION KWH	2000	0.0060	$ 12.06	DISTRIBUTION KWH	2000	0.00634	$ 12.69		
	COST OF POWER KWH	2000	0.0751	$ 150.26	COST OF POWER KWH	2000	0.0751	$ 150.26		
	CURRENT 2001 BILL			$ 176.67	Adjusted 2002 BILL			$ 178.15	$ 1.48	0.8%

MONTHLY CONSUMPTION 5000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 14.35	MONTHLY SERVICE CHARGE	n/a	n/a	$ 15.20		
	DISTRIBUTION KWH	5000	0.0060	$ 30.15	DISTRIBUTION KWH	5000	0.00634	$ 31.71		
	COST OF POWER KWH	5000	0.0751	$ 375.65	COST OF POWER KWH	5000	0.0751	$ 375.65		
	CURRENT 2001 BILL			$ 420.15	Adjusted 2002 BILL			$ 422.57	$ 2.42	0.6%

MONTHLY CONSUMPTION 10,000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 14.35	MONTHLY SERVICE CHARGE	n/a	n/a	$ 15.20		
	DISTRIBUTION KWH	10000	0.0060	$ 60.30	DISTRIBUTION KWH	10000	0.00634	$ 63.43		
	COST OF POWER KWH	10000	0.0751	$ 751.30	COST OF POWER KWH	10000	0.0751	$ 751.30		
	CURRENT 2001 BILL			$ 825.95	Adjusted 2002 BILL			$ 829.93	$ 3.98	0.5%

MONTHLY CONSUMPTION 20,000 kWh		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 14.35	MONTHLY SERVICE CHARGE	n/a	n/a	$ 15.20		
	DISTRIBUTION KWH	20000	0.0060	$ 120.60	DISTRIBUTION KWH	20000	0.00634	$ 126.86		
	COST OF POWER KWH	20000	0.0751	$ 1,502.60	COST OF POWER KWH	20000	0.0751	$ 1,502.60		
	CURRENT 2001 BILL			$ 1,637.55	Adjusted 2002 BILL			$ 1,644.66	$ 7.11	0.4%

GENERAL SERVICE > 50 KW NON TIME OF USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**

ENTER DESIRED CONSUMPTION LEVEL

		KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		

DISTRIBUTION KW	0	1.0909	$	-	DISTRIBUTION KW	0	1.14794	$	-				
COST OF POWER KW	0	8.0105	$	-	COST OF POWER KW	0	8.0105	$	-				
COST OF POWER **KWH**	0	0.0526	$	-	COST OF POWER **KWH**	0	0.0526	$	-				
CURRENT 2001 BILL			$	136.41	Adjusted 2002 BILL			$	143.20	$	6.79		5.0%

MONTHLY CONSUMPTION 100kW, 30,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	100	1.0909	$	109.09	DISTRIBUTION KW	100	1.14794	$ 114.79		
COST OF POWER KW	100	8.0105	$	801.05	COST OF POWER KW	100	8.0105	$ 801.05		
COST OF POWER **KWH**	30,000	0.0526	$	1,576.80	COST OF POWER **KWH**	30,000	0.0526	$ 1,576.80		
CURRENT 2001 BILL			$	2,623.35	Adjusted 2002 BILL			$ 2,635.85	$ 12.50	0.5%

MONTHLY CONSUMPTION 100kW, 40,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	100	1.0909	$	109.09	DISTRIBUTION KW	100	1.14794	$ 114.79		
COST OF POWER KW	100	8.0105	$	801.05	COST OF POWER KW	100	8.0105	$ 801.05		
COST OF POWER **KWH**	40,000	0.0526	$	2,102.40	COST OF POWER **KWH**	40,000	0.0526	$ 2,102.40		
CURRENT 2001 BILL			$	3,148.95	Adjusted 2002 BILL			$ 3,161.45	$ 12.50	0.4%

MONTHLY CONSUMPTION 500kW, 100,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	500	1.0909	$	545.43	DISTRIBUTION KW	500	1.14794	$ 573.97		
COST OF POWER KW	500	8.0105	$	4,005.27	COST OF POWER KW	500	8.0105	$ 4,005.27		
COST OF POWER **KWH**	100,000	0.0526	$	5,256.00	COST OF POWER **KWH**	100,000	0.0526	$ 5,256.00		
CURRENT 2001 BILL			$	9,943.11	Adjusted 2002 BILL			$ 9,978.44	$ 35.34	0.4%

MONTHLY CONSUMPTION 500kW, 250,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	500	1.0909	$	545.43	DISTRIBUTION KW	500	1.14794	$ 573.97		
COST OF POWER KW	500	8.0105	$	4,005.27	COST OF POWER KW	500	8.0105	$ 4,005.27		
COST OF POWER **KWH**	250,000	0.0526	$	13,140.00	COST OF POWER **KWH**	250,000	0.0526	$ 13,140.00		
CURRENT 2001 BILL			$	17,827.11	Adjusted 2002 BILL			$ 17,862.44	$ 35.34	0.2%

MONTHLY CONSUMPTION 1000kW, 400,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	1000	1.0909	$	1,090.86	DISTRIBUTION KW	1000	1.14794	$ 1,147.94		
COST OF POWER KW	1000	8.0105	$	8,010.53	COST OF POWER KW	1000	8.0105	$ 8,010.53		
COST OF POWER **KWH**	400,000	0.0526	$	21,024.00	COST OF POWER **KWH**	400,000	0.0526	$ 21,024.00		
CURRENT 2001 BILL			$	30,261.80	Adjusted 2002 BILL			$ 30,325.68	$ 63.88	0.2%

MONTHLY CONSUMPTION 1000kW, 500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	1000	1.0909	$	1,090.86	DISTRIBUTION KW	1000	1.14794	$ 1,147.94		
COST OF POWER KW	1000	8.0105	$	8,010.53	COST OF POWER KW	1000	8.0105	$ 8,010.53		
COST OF POWER **KWH**	500,000	0.0526	$	26,280.00	COST OF POWER **KWH**	500,000	0.0526	$ 26,280.00		
CURRENT 2001 BILL			$	35,517.80	Adjusted 2002 BILL			$ 35,581.68	$ 63.88	0.2%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		

DISTRIBUTION KW	3000	1.0909	$	3,272.58	DISTRIBUTION KW	3000	1.14794	$	3,443.82	
COST OF POWER KW	3000	8.0105	$	24,031.59	COST OF POWER KW	3000	8.0105	$	24,031.59	
COST OF POWER **KWH**	1,000,000	0.0526	$	52,560.00	COST OF POWER **KWH**	1,000,000	0.0526	$	52,560.00	
CURRENT 2001 BILL			$	80,000.58	Adjusted 2002 BILL			$	80,178.62	$ 178.04	0.2%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	3000	1.0909	$	3,272.58	DISTRIBUTION KW	3000	1.14794	$ 3,443.82		
COST OF POWER KW	3000	8.0105	$	24,031.59	COST OF POWER KW	3000	8.0105	$ 24,031.59		
COST OF POWER **KWH**	1,500,000	0.0526	$	78,840.00	COST OF POWER **KWH**	1,500,000	0.0526	$ 78,840.00		
CURRENT 2001 BILL			$	106,280.58	Adjusted 2002 BILL			$ 106,458.62	$ 178.04	0.2%

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	4000	1.0909	$	4,363.44	DISTRIBUTION KW	4000	1.14794	$ 4,591.76		
COST OF POWER KW	4000	8.0105	$	32,042.12	COST OF POWER KW	4000	8.0105	$ 32,042.12		
COST OF POWER **KWH**	1,200,000	0.0526	$	63,072.00	COST OF POWER **KWH**	1,200,000	0.0526	$ 63,072.00		
CURRENT 2001 BILL			$	99,613.97	Adjusted 2002 BILL			$ 99,849.09	$ 235.12	0.2%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	4000	1.0909	$	4,363.44	DISTRIBUTION KW	4000	1.14794	$ 4,591.76		
COST OF POWER KW	4000	8.0105	$	32,042.12	COST OF POWER KW	4000	8.0105	$ 32,042.12		
COST OF POWER **KWH**	1,800,000	0.0526	$	94,608.00	COST OF POWER **KWH**	1,800,000	0.0526	$ 94,608.00		
CURRENT 2001 BILL			$	131,149.97	Adjusted 2002 BILL			$ 131,385.09	$ 235.12	0.2%

GENERAL SERVICE >50 KW TIME OF USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**

ENTER DESIRED CONSUMPTION LEVELS
100kW, 40,000kWh

WINTER

	KW	**RATE $/kW**	**CHARGE $**			**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION kW	100	0.0000	$	-	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$	-	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE					**RATE**			
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	20,000	0.0000	$	-	WINTER PEAK	20,000	0.0000	$ -		
WINTER OFF PEAK	20,000	0.0000	$	-	WINTER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$	-	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$	-	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	**RATE $/kW**	**CHARGE $**			**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION kW	100	0.0000	$	-	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$	-	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE					**RATE**			
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	20,000	0.0000	$	-	SUMMER PEAK	20,000	0.0000	$ -		
SUMMER OFF PEAK	20,000	0.0000	$	-	SUMMER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$	-	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$	-	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE - INTERMEDIATE USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**

ENTER DESIRED CONSUMPTION LEVELS

4000kW, 1,200,000kWh

WINTER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	4000	0.0000	$ -
kW COST OF POWER			
Demand Charge	4000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
WINTER PEAK	600,000	0.0000	$ -
WINTER OFF PEAK	600,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

WINTER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	4000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	600,000	0.0000	$ -		
WINTER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	4000	0.0000	$ -
kW COST OF POWER			
Demand Charge	4000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
SUMMER PEAK	600,000	0.0000	$ -
SUMMER OFF PEAK	600,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

SUMMER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	4000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	600,000	0.0000	$ -		
SUMMER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

LARGE USE

CURRENT 2001 BILL

2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)

ENTER DESIRED CONSUMPTION LEVELS

6000kW, 3,000,000kWh

WINTER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	6000	0.0000	$ -
kW COST OF POWER			
Demand Charge	6000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
WINTER PEAK	1,500,000	0.0000	$ -
WINTER OFF PEAK	1,500,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

WINTER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	1,500,000	0.0000	$ -		
WINTER OFF PEAK	1,500,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	6000	0.0000	$ -
kW COST OF POWER			
Demand Charge	6000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
SUMMER PEAK	1,500,000	0.0000	$ -
SUMMER OFF PEAK	1,500,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

SUMMER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	1,500,000	0.0000	$ -		
SUMMER OFF PEAK	1,500,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SHEET 11 - Z-Factor Adder Calculation

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule allows LDCs to input the Applied for Value for a Z-Factor.
The amount is allocated to the classes in the same manner as the PILs amount added on Sheet 6 and is recovered as a rate adder.

Enter the applied for Value for the Z-factor: $ -

The Table below uses the 2001 statistics for your LDC to allocate the Z-Factor amount.
The share of class distribution revenue in 2001 is used to allocate this amount to the rate classes.

When this data was added on Sheet 6, it will also appear in the table below.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 Z-Factor for Recovery
RESIDENTIAL CLASS	-	20,073,000	1,887	$228,470.64	57.20%	$ -
GENERAL SERVICE <50 KW CLASS	-	10,954,680	311	$102,992.00	25.79%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	36,485	-	23	$62,489.00	15.65%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	0	-	-	$0.00	0.00%	$ -
SENTINEL LIGHTS	80	-	22	$603.00	0.15%	$ -
STREET LIGHTING CLASS	1,133	-	617	$4,852.00	1.21%	$ -
TOTALS				$399,406.64	1.00	-
						$ -

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.524	0.476	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KWH	20,073,000		
(C) NUMBER OF CUSTOMERS		1,887	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(I (this amount is added to the kWh rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

General Service <50kW Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED Z-Factor Amount for Recovery

		Percentage	Percentage	
		0.524	0.476	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G27 above)	$ -	$ -	$ -	
(B) RETAIL KWH	10,954,680			
(C) NUMBER OF CUSTOMERS		311		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(I (this amount is added to the kWh rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000		

General Service >50kW Class Non TOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED Z-Factor Amount for Recovery
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G28 above)	$ -	$ -	$ -
(B) RETAIL KW	36,485		
(C) NUMBER OF CUSTOMERS		23	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

General Service >50kW ClassTOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED Z-Factor Amount for Recovery
	Percentage	Percentage	
	0.000	1.000	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		#DIV/0!	

Intermediate Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED Z-Factor Amount for Recovery

		Percentage	Percentage	
		0.000	1.000	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G30 above)	$ -	$ -	$ -	
(B) RETAIL KW	0			
(C) NUMBER OF CUSTOMERS	-			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		#DIV/0!		

Large User Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

		VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
		0.000	1.000	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G31 above)	$ -	$ -	$ -	
(B) RETAIL KW	0			
(C) NUMBER OF CUSTOMERS	-			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		#DIV/0!		

Sentinel Lighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

		VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
		0.524	0.476	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G32 above)	$ -	$ -	$ -	
(B) RETAIL KW	80			
(C) NUMBER OF CUSTOMERS	22			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000		

Streetlighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED Z-Factor Amount for Recovery
	Percentage	Percentage	
	0.524	0.476	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G33 above)	$ -	$ -	$ -
(B) RETAIL KW	1,133		
(C) NUMBER OF CUSTOMERS (Connections)		617	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

SHEET 12 - 2002 Rate Schedule including 2001/2002 PILs Estimate and Z-Factor Adders

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	1		
Date	March 14 2002		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the 2nd Installment of 1/3 Incremental MARR, the 2001PILs Deferral Account Estimate Adder, the 2002 PILs Proxy Estimate Adder, and the Z-Factor Adder.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00754
MONTHLY SERVICE CHARGE (Per Customer)	$6.03664
COST OF POWER KWH RATE	$0.07623

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00046
MONTHLY SERVICE CHARGE (Per Customer)	$0.36967

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.00634
MONTHLY SERVICE CHARGE (Per Customer)	$15.20327
COST OF POWER KWH RATE	$0.075130

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00038
MONTHLY SERVICE CHARGE (Per Customer)	$1.01112

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.14794
MONTHLY SERVICE CHARGE (Per Customer)	$143.20487
COST OF POWER KW RATE	$8.010530
COST OF POWER KWH RATE	$0.052560

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$4.76267
MONTHLY SERVICE CHARGE (Per Connection)	$1.79466
COST OF POWER KW RATE	$23.3957

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.30401
MONTHLY SERVICE CHARGE (Per Connection)	$0.08369

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.92357
MONTHLY SERVICE CHARGE (Per Connection)	$0.39983
COST OF POWER KW RATE	$23.3871

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.17273
MONTHLY SERVICE CHARGE (Per Connection)	$0.02401

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 13 - Transition Cost Adder Calculation

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	1		
Date	March 14 2002		

This schedule allows LDCs to input the Applied for Value for Transition Costs by the 10 cost categories shown in Article 480 of the APH Handbook.
These categories are:

1 **Billing Activities**
2 **Customer Education Services**
3 **Wholesale Market Requirements**
4 **IMO Requirements**
5 **Retailer/Customer Requirements**
6 **Staff Adjustment Activities**
7 **Regulatory Costs**
8 **Taxes**
9 **Regulatory Requirements**
10 **Other**

Enter the Amounts to be Applied under each category. The model will allocate the cost under each category to a rate class based on 2001 Distribution Revenue as shown in the 2001 Statistics Table below.
If the Utility would like to allocate the costs on a different basis, allocations can be adjusted manually.

Enter the applied for Total Value for Transition Costs: $ -

Transition Cost Category	1	Allocation	2	Allocation	3	Allocation	4	Allocation	5	Allocation	6	Allocation	7	Allocation	8	Allocation	9	Allocation	10	Allocation	Total
Total	$ -		$ -		$ -		$ -		$ -		$ -		$ -		$ -		$ -		$ -		$ -
RESIDENTIAL CLASS	$ -	57.20%	$ -	57.20%	$ -	57.20%	$ -	57.20%	$ -	57.20%	$ -	57.20%	$ -	57.20%	$ -	57.20%	$ -	57.20%	$ -	57.20%	$ -
GENERAL SERVICE <50 KW CLASS	$ -	25.79%	$ -	25.79%	$ -	25.79%	$ -	25.79%	$ -	25.79%	$ -	25.79%	$ -	25.79%	$ -	25.79%	$ -	25.79%	$ -	25.79%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	$ -	15.65%	$ -	15.65%	$ -	15.65%	$ -	15.65%	$ -	15.65%	$ -	15.65%	$ -	15.65%	$ -	15.65%	$ -	15.65%	$ -	15.65%	$ -
GENERAL SERVICE >50 KW TIME OF USE	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
INTERMEDIATE USE	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
LARGE USER CLASS	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
SENTINEL LIGHTS	$ -	0.15%	$ -	0.15%	$ -	0.15%	$ -	0.15%	$ -	0.15%	$ -	0.15%	$ -	0.15%	$ -	0.15%	$ -	0.15%	$ -	0.15%	$ -
STREET LIGHTING CLASS	$ -	1.21%	$ -	1.21%	$ -	1.21%	$ -	1.21%	$ -	1.21%	$ -	1.21%	$ -	1.21%	$ -	1.21%	$ -	1.21%	$ -	1.21%	$ -
TOTALS		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%	
																					$ -

2001 Statistics by Class	**kW**	**kWh**	**Number of Customers**	**Distribution Revenues**	**2001 Revenue Shares**	**2002 Transition Costs for Recovery**
RESIDENTIAL CLASS	-	20,073,000	1,887	$228,470.64	57.20%	$ -
GENERAL SERVICE <50 KW CLASS	-	10,954,680	311	$102,992.00	25.79%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	36,485	-	23	$62,489.00	15.65%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	0	-	-	$0.00	0.00%	$ -
SENTINEL LIGHTS	80	-	22	$603.00	0.15%	$ -
STREET LIGHTING CLASS	1,133	-	617	$4,852.00	1.21%	$ -
TOTALS				$399,406.64	1.00	-
						$ -

Residential Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.524	0.476	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G42 above)	$ -	$ -	$ -
(B) RETAIL KWH	20,073,000		
(C) NUMBER OF CUSTOMERS		1,887	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service <50kW Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recoverv
	0.524	0.476	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G43 above)	$ -	$ -	$ -
(B) RETAIL KWH	10,954,680		
(C) NUMBER OF CUSTOMERS		311	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service >50kW Class Non TOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recoverv
	0.524	0.476	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G44 above)	$ -	$ -	$ -
(B) RETAIL KW	36,485		
(C) NUMBER OF CUSTOMERS		23	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service >50kW ClassTOU

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recoverv
	0.000	1.000	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G45 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

Intermediate Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.000	1.000	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G46 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

Large User Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.000	1.000	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G47 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

Sentinel Lighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.524	0.476	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G48 above)	$ -	$ -	$ -
(B) RETAIL KW	80		
(C) NUMBER OF CUSTOMERS		22	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

Streetlighting Class

When you entered your approved Variable/Fixed Charge Split from your 2001 RUD Model for this class on Sheet 3, it will also appear below:

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.524	0.476	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G49 above)	$ -	$ -	$ -
(B) RETAIL KW	1,133		
(C) NUMBER OF CUSTOMERS (Connections)		617	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

SHEET 14 - 2002 Rate Schedule including 2001/2002 PILs Estimate, Z-Factor & Transition Cost Adders

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the 2nd Installment of 1/3 Incremental MARR, the 2001PILs Deferral Account Estimate Adder, the 2002 PILs Estimate Adder, the Z-Factor Adder and the Transition Cost Adder.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0075
MONTHLY SERVICE CHARGE (Per Customer)	$6.0366
COST OF POWER KWH RATE	$0.0762

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0005
MONTHLY SERVICE CHARGE (Per Customer)	$0.3697

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0063
MONTHLY SERVICE CHARGE (Per Customer)	$15.2033
COST OF POWER KWH RATE	$0.075130

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0004
MONTHLY SERVICE CHARGE (Per Customer)	$1.0111

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.1479
MONTHLY SERVICE CHARGE (Per Customer)	$143.2049
COST OF POWER KW RATE	$8.010530
COST OF POWER KWH RATE	$0.052560

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE $4.7627

MONTHLY SERVICE CHARGE (Per Connection) $1.7947

COST OF POWER KW RATE $23.3957

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE $0.3040

MONTHLY SERVICE CHARGE (Per Connection) $0.0837

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE $2.9236

MONTHLY SERVICE CHARGE (Per Connection) $0.3998

COST OF POWER KW RATE $23.3871

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE $0.1727

MONTHLY SERVICE CHARGE (Per Connection) $0.0240

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 15 - Bill Impact Analysis for 2002 Rate Schedule after 2001 & 2002 PILs Adjustments, Z-Factor & Transition Costs

NAME OF UTILITY	Scugog Hydro Energy Corp.	**LICENCE NUMBER**	ED-1999-0267
NAME OF CONTACT	Terry Adderley	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	2		
Date	March 14 2002		

This schedule shows the bill impacts using the 2002 Rate Schedule which includes the IPI - PF 2nd year PBR rate adjustment, the addition of the 2nd Installment of 1/3 Incremental MARR, the 2001 PILs deferral account estimate, the 2002 PILs estimate and the impact of the addition of Z-Factor and Transition Cost amounts.

BILL IMPACT ANALYSIS: Current Bill vs. 2002 Bill (including IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs, Z-Factor and Transition Costs)

RESIDENTIAL CLASS

NON-TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL	CURRENT 2001 BILL				2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)					
	KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $		IMPACT DOLLARS	IMPACT %
100 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	n/a	n/a	$	6.04		
DISTRIBUTION KWH	100	0.0072	$	0.72	100	0.00754	$	0.75		
COST OF POWER KWH	100	0.0762	$	7.62	100	0.0762	$	7.62		
CURRENT 2001 BILL			$	14.07	Adjusted 2002 BILL		$	14.41	$ 0.34	2.4%
250 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	n/a	n/a	$	6.04		
DISTRIBUTION KWH	250	0.0072	$	1.79	250	0.00754	$	1.89		
COST OF POWER KWH	250	0.0762	$	19.06	250	0.0762	$	19.06		
CURRENT 2001 BILL			$	26.58	Adjusted 2002 BILL		$	26.98	$ 0.40	1.5%
500 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	n/a	n/a	$	6.04		
DISTRIBUTION KWH	500	0.0072	$	3.58	500	0.00754	$	3.77		
COST OF POWER KWH	500	0.0762	$	38.12	500	0.0762	$	38.12		
CURRENT 2001 BILL			$	47.43	Adjusted 2002 BILL		$	47.92	$ 0.50	1.0%
750 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	n/a	n/a	$	6.04		
DISTRIBUTION KWH	750	0.0072	$	5.37	750	0.00754	$	5.66		
COST OF POWER KWH	750	0.0762	$	57.17	750	0.0762	$	57.17		
CURRENT 2001 BILL			$	68.27	Adjusted 2002 BILL		$	68.86	$ 0.59	0.9%
1000 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	n/a	n/a	$	6.04		
DISTRIBUTION KWH	1000	0.0072	$	7.16	1000	0.00754	$	7.54		
COST OF POWER KWH	1000	0.0762	$	76.23	1000	0.0762	$	76.23		
CURRENT 2001 BILL			$	89.12	Adjusted 2002 BILL		$	89.81	$ 0.69	0.8%
1500 kWh										
MONTHLY SERVICE CHARGE	n/a	n/a	$	5.73	n/a	n/a	$	6.04		
DISTRIBUTION KWH	1500	0.0072	$	10.74	1500	0.00754	$	11.31		
COST OF POWER KWH	1500	0.0762	$	114.35	1500	0.0762	$	114.35		

	CURRENT 2001 BILL			$ 130.82	Adjusted 2002 BILL			$ 131.69	$ 0.88	0.7%		
MONTHLY CONSUMPTION OF 2000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 5.73	MONTHLY SERVICE CHARGE		n/a	n/a	$ 6.04			
	DISTRIBUTION KWH	2000	0.0072	$ 14.32	DISTRIBUTION KWH		2000	0.00754	$ 15.08			
	COST OF POWER KWH	2000	0.0762	$ 152.46	COST OF POWER KWH		2000	0.0762	$ 152.46			
	CURRENT 2001 BILL			$ 172.51	Adjusted 2002 BILL			$ 173.58	$ 1.07	0.6%		

GENERAL SERVICE < 50 KW

	CURRENT 2001 BILL				**2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)**						
ENTER DESIRED CONSUMPTION LEVEL											
1000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 14.35		MONTHLY SERVICE CHARGE	n/a	n/a	$ 15.20			
DISTRIBUTION KWH	1000	0.0060	$ 6.03		DISTRIBUTION KWH	1000	0.00634	$ 6.34			
COST OF POWER KWH	1000	0.0751	$ 75.13		COST OF POWER KWH	1000	0.0751	$ 75.13			
CURRENT 2001 BILL			$ 95.51		Adjusted 2002 BILL			$ 96.68	$ 1.17	1.2%	
MONTHLY CONSUMPTION 2000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 14.35		MONTHLY SERVICE CHARGE	n/a	n/a	$ 15.20			
DISTRIBUTION KWH	2000	0.0060	$ 12.06		DISTRIBUTION KWH	2000	0.00634	$ 12.69			
COST OF POWER KWH	2000	0.0751	$ 150.26		COST OF POWER KWH	2000	0.0751	$ 150.26			
CURRENT 2001 BILL			$ 176.67		Adjusted 2002 BILL			$ 178.15	$ 1.48	0.8%	
MONTHLY CONSUMPTION 5000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 14.35		MONTHLY SERVICE CHARGE	n/a	n/a	$ 15.20			
DISTRIBUTION KWH	5000	0.0060	$ 30.15		DISTRIBUTION KWH	5000	0.00634	$ 31.71			
COST OF POWER KWH	5000	0.0751	$ 375.65		COST OF POWER KWH	5000	0.0751	$ 375.65			
CURRENT 2001 BILL			$ 420.15		Adjusted 2002 BILL			$ 422.57	$ 2.42	0.6%	
MONTHLY CONSUMPTION 10,000 kWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 14.35		MONTHLY SERVICE CHARGE	n/a	n/a	$ 15.20			
DISTRIBUTION KWH	10000	0.0060	$ 60.30		DISTRIBUTION KWH	10000	0.00634	$ 63.43			
COST OF POWER KWH	10000	0.0751	$ 751.30		COST OF POWER KWH	10000	0.0751	$ 751.30			
CURRENT 2001 BILL			$ 825.95		Adjusted 2002 BILL			$ 829.93	$ 3.98	0.5%	
MONTHLY CONSUMPTION 20,000 KWh	**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 14.35		MONTHLY SERVICE CHARGE	n/a	n/a	$ 15.20			
DISTRIBUTION KWH	20000	0.0060	$ 120.60		DISTRIBUTION KWH	20000	0.00634	$ 126.86			
COST OF POWER KWH	20000	0.0751	$ 1,502.60		COST OF POWER KWH	20000	0.0751	$ 1,502.60			
CURRENT 2001 BILL			$ 1,637.55		Adjusted 2002 BILL			$ 1,644.66	$ 7.11	0.4%	

GENERAL SERVICE > 50 KW NON TIME OF USE

	CURRENT 2001 BILL				**2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)**						
ENTER DESIRED CONSUMPTION LEVEL											
	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**	
MONTHLY SERVICE CHARGE	n/a	n/a	$ 136.41		MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20			

	DISTRIBUTION KW	0	1.0909	$	-	DISTRIBUTION KW	0	1.14794	$	-				
	COST OF POWER KW	0	8.0105	$	-	COST OF POWER KW	0	8.0105	$	-				
	COST OF POWER **KWH**	0	0.0526	$	-	COST OF POWER **KWH**	0	0.0526	$	-				
	CURRENT 2001 BILL			$	136.41	Adjusted 2002 BILL			$	143.20	$	6.79	5.0%	

MONTHLY CONSUMPTION 100kW, 30,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$	143.20		
	DISTRIBUTION KW	100	1.0909	$	109.09	DISTRIBUTION KW	100	1.14794	$	114.79		
	COST OF POWER KW	100	8.0105	$	801.05	COST OF POWER KW	100	8.0105	$	801.05		
	COST OF POWER **KWH**	30,000	0.0526	$	1,576.80	COST OF POWER **KWH**	30,000	0.0526	$	1,576.80		
	CURRENT 2001 BILL			$	2,623.35	Adjusted 2002 BILL			$	2,635.85	$ 12.50	0.5%

MONTHLY CONSUMPTION 100kW, 40,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$	143.20		
	DISTRIBUTION KW	100	1.0909	$	109.09	DISTRIBUTION KW	100	1.14794	$	114.79		
	COST OF POWER KW	100	8.0105	$	801.05	COST OF POWER KW	100	8.0105	$	801.05		
	COST OF POWER **KWH**	40,000	0.0526	$	2,102.40	COST OF POWER **KWH**	40,000	0.0526	$	2,102.40		
	CURRENT 2001 BILL			$	3,148.95	Adjusted 2002 BILL			$	3,161.45	$ 12.50	0.4%

MONTHLY CONSUMPTION 500kW, 100,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$	143.20		
	DISTRIBUTION KW	500	1.0909	$	545.43	DISTRIBUTION KW	500	1.14794	$	573.97		
	COST OF POWER KW	500	8.0105	$	4,005.27	COST OF POWER KW	500	8.0105	$	4,005.27		
	COST OF POWER **KWH**	100,000	0.0526	$	5,256.00	COST OF POWER **KWH**	100,000	0.0526	$	5,256.00		
	CURRENT 2001 BILL			$	9,943.11	Adjusted 2002 BILL			$	9,978.44	$ 35.34	0.4%

MONTHLY CONSUMPTION 500kW, 250,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$	143.20		
	DISTRIBUTION KW	500	1.0909	$	545.43	DISTRIBUTION KW	500	1.14794	$	573.97		
	COST OF POWER KW	500	8.0105	$	4,005.27	COST OF POWER KW	500	8.0105	$	4,005.27		
	COST OF POWER **KWH**	250,000	0.0526	$	13,140.00	COST OF POWER **KWH**	250,000	0.0526	$	13,140.00		
	CURRENT 2001 BILL			$	17,827.11	Adjusted 2002 BILL			$	17,862.44	$ 35.34	0.2%

MONTHLY CONSUMPTION 1000kW, 400,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$	143.20		
	DISTRIBUTION KW	1000	1.0909	$	1,090.86	DISTRIBUTION KW	1000	1.14794	$	1,147.94		
	COST OF POWER KW	1000	8.0105	$	8,010.53	COST OF POWER KW	1000	8.0105	$	8,010.53		
	COST OF POWER **KWH**	400,000	0.0526	$	21,024.00	COST OF POWER **KWH**	400,000	0.0526	$	21,024.00		
	CURRENT 2001 BILL			$	30,261.80	Adjusted 2002 BILL			$	30,325.68	$ 63.88	0.2%

MONTHLY CONSUMPTION 1000kW, 500,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$	143.20		
	DISTRIBUTION KW	1000	1.0909	$	1,090.86	DISTRIBUTION KW	1000	1.14794	$	1,147.94		
	COST OF POWER KW	1000	8.0105	$	8,010.53	COST OF POWER KW	1000	8.0105	$	8,010.53		
	COST OF POWER **KWH**	500,000	0.0526	$	26,280.00	COST OF POWER **KWH**	500,000	0.0526	$	26,280.00		
	CURRENT 2001 BILL			$	35,517.80	Adjusted 2002 BILL			$	35,581.68	$ 63.88	0.2%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$	143.20		

DISTRIBUTION KW	3000	1.0909	$	3,272.58	DISTRIBUTION KW	3000	1.14794	$	3,443.82		
COST OF POWER KW	3000	8.0105	$	24,031.59	COST OF POWER KW	3000	8.0105	$	24,031.59		
COST OF POWER **KWH**	1,000,000	0.0526	$	52,560.00	COST OF POWER **KWH**	1,000,000	0.0526	$	52,560.00		
CURRENT 2001 BILL			$	80,000.58	Adjusted 2002 BILL			$	80,178.62	$ 178.04	0.2%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	3000	1.0909	$	3,272.58	DISTRIBUTION KW	3000	1.14794	$ 3,443.82		
COST OF POWER KW	3000	8.0105	$	24,031.59	COST OF POWER KW	3000	8.0105	$ 24,031.59		
COST OF POWER **KWH**	1,500,000	0.0526	$	78,840.00	COST OF POWER **KWH**	1,500,000	0.0526	$ 78,840.00		
CURRENT 2001 BILL			$	106,280.58	Adjusted 2002 BILL			$ 106,458.62	$ 178.04	0.2%

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	4000	1.0909	$	4,363.44	DISTRIBUTION KW	4000	1.14794	$ 4,591.76		
COST OF POWER KW	4000	8.0105	$	32,042.12	COST OF POWER KW	4000	8.0105	$ 32,042.12		
COST OF POWER **KWH**	1,200,000	0.0526	$	63,072.00	COST OF POWER **KWH**	1,200,000	0.0526	$ 63,072.00		
CURRENT 2001 BILL			$	99,613.97	Adjusted 2002 BILL			$ 99,849.09	$ 235.12	0.2%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	136.41	MONTHLY SERVICE CHARGE	n/a	n/a	$ 143.20		
DISTRIBUTION KW	4000	1.0909	$	4,363.44	DISTRIBUTION KW	4000	1.14794	$ 4,591.76		
COST OF POWER KW	4000	8.0105	$	32,042.12	COST OF POWER KW	4000	8.0105	$ 32,042.12		
COST OF POWER **KWH**	1,800,000	0.0526	$	94,608.00	COST OF POWER **KWH**	1,800,000	0.0526	$ 94,608.00		
CURRENT 2001 BILL			$	131,149.97	Adjusted 2002 BILL			$ 131,385.09	$ 235.12	0.2%

GENERAL SERVICE >50 KW TIME OF USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)**

ENTER DESIRED CONSUMPTION LEVELS
100kW, 40,000kWh

WINTER

	KW	**RATE $/kW**	**CHARGE $**		**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	100	0.0000	$ -	Demand Charge	100	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	20,000	0.0000	$ -	WINTER PEAK	20,000	0.0000	$ -		
WINTER OFF PEAK	20,000	0.0000	$ -	WINTER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	**RATE $/kW**	**CHARGE $**		**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	100	0.0000	$ -	Demand Charge	100	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	20,000	0.0000	$ -	SUMMER PEAK	20,000	0.0000	$ -		
SUMMER OFF PEAK	20,000	0.0000	$ -	SUMMER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE - INTERMEDIATE USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)**

ENTER DESIRED CONSUMPTION LEVELS

4000kW, 1,200,000kWh

WINTER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	4000	0.0000	$ -
kW COST OF POWER			
Demand Charge	4000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
WINTER PEAK	600,000	0.0000	$ -
WINTER OFF PEAK	600,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

WINTER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	4000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	600,000	0.0000	$ -		
WINTER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	4000	0.0000	$ -
kW COST OF POWER			
Demand Charge	4000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
SUMMER PEAK	600,000	0.0000	$ -
SUMMER OFF PEAK	600,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

SUMMER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	4000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	600,000	0.0000	$ -		
SUMMER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

LARGE USE

CURRENT 2001 BILL

2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)

ENTER DESIRED CONSUMPTION LEVELS

6000kW, 3,000,000kWh

WINTER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	6000	0.0000	$ -
kW COST OF POWER			
Demand Charge	6000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
WINTER PEAK	1,500,000	0.0000	$ -
WINTER OFF PEAK	1,500,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

WINTER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	1,500,000	0.0000	$ -		
WINTER OFF PEAK	1,500,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $
DISTRIBUTION			
kW	6000	0.0000	$ -
kW COST OF POWER			
Demand Charge	6000	0.0000	$ -
		RATE	
COST OF POWER	**kWh**	**$/kWh**	
SUMMER PEAK	1,500,000	0.0000	$ -
SUMMER OFF PEAK	1,500,000	0.0000	$ -
MONTHLY SERVICE CHARGE			$ -
TOTAL			$ -

SUMMER

	KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION					
kW	6000	#DIV/0!	#DIV/0!		
kW COST OF POWER					
Demand Charge	6000	0.0000	$ -		
		RATE			
COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	1,500,000	0.0000	$ -		
SUMMER OFF PEAK	1,500,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			#DIV/0!	#DIV/0!	#DIV/0!

Schedule of Rates and Charges

Scugog Hydro Energy Corp.

Effective March 1, 2002

RP-2002-xxxx
EB-2002-xxxx

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31

Summer: All Hours, April 1 through September 30

Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thansgiving Day, Christmas Day and Boxing Day.

Off Peak: All Other Hours.

RESIDENTIAL

Monthly Service Charge	(per month)	$6.04
Distribution Volumetric Rate	(per kWh)	$0.0075
Cost of Power Rate	(per kWh)	$0.0762

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kWh)	$0.0000
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$15.20
Distribution Volumetric Rate	(per kWh)	$0.0063
Cost of Power Rate	(per kWh)	$0.0751

GENERAL SERVICE < 50 KW (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kWh)	$0.0000
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

Schedule of Rates and Charges

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$143.20
Distribution Volumetric Rate	(per kW)	$1.1479
Cost of Power Demand Rate	(per kW)	$8.0105
Cost of Power Energy Rate	(per kWh)	$0.0526

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kW)	$0.0000
Cost of Power - Summer Peak	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kW)	$0.0000
Cost of Power - Summer Peak	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

LARGE USE

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kW)	$0.0000
Cost of Power - Summer Peak	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

Schedule of Rates and Charges

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$1.79
Distribution Volumetric Rate	(per kW)	$4.7627
Cost of Power Demand Rate	(per kW)	$23.3957

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000
Cost of Power - Winter	(per kW)	$0.0000
Cost of Power - Summer	(per kW)	$0.0000

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.40
Distribution Volumetric Rate	(per kW)	$2.9236
Cost of Power Demand Rate	(per kW)	$23.3871

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	$0.0000
Cost of Power - Winter	(per kW)	$0.0000
Cost of Power - Summer	(per kW)	$0.0000

Unmetered Load

Monthly Service Charge	(per month)	$9.39
Distribution Volumetric Rate	(per kWh)	$0.0194
Cost of Power Rate	(per kWh)	$0.0710

MISCELLANEOUS CHARGES

New Account Setup	$ 9.00
Change of Occupancy	
Account History	
Administration Fee	
Current Year Data	
Each Additional Year Data	
Arrear's Certificate	$12.70
Late Payment (19.56% annual)	1.50%
Dispute Involvement Charge	$10.00
Returned Cheque (plus actual bank charges)	$9.00
Collection of Account Charge	$9.00
Disconnect/Reconnect Charges (non payment of account)	
At Meter - During Regular Hours	$20.00
At Meter - After Hours	$50.00

Schedule of Rates and Charges

Temporary Pole Service	$	200.00
After Hours High Voltage Station Outage		
Residential Service 2nd Visit to Connect New Service		
Residential Service After Hours Visit to Connect New Service		
Diversity Adjustmen Winter		
(discontinued at Ma Summer		
Transformer Discou (per kW)	$	0.60
Primary Metering Adjustment (1% of billed kW and kWh)		1%

SHEET 1 - December 31, 2002 Regulatory Assets

V1

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address			
VERSION NUMBER	Version 1		
Date	15-Jan-04		

Enter the total applied-for regulatory asset amounts for each account in the appropriate cells below:
(These amounts should correspond to your December 31, 2002 regulatory filings with the OEB.)

Description	Account Number		Applied-for Amount Balance as at Dec. 31, 2002	
RSVA - Wholesale Market Service Charge	1580		$73,631	
RSVA - Retail Transmission Network Charge	1584		$25,583	
RSVA - Retail Transmission Connection Charge	1586		$18,512	
RSVA - Power	1588		$43,111	
Sub-Total			$160,837	
RSVA - One-time Wholesale Market Service	1582			
Other Regulatory Assets	1508		$2,910	
Retail Cost Variance Account - Retail	1518		$3,355	
Retail Cost Variance Account - STR	1548		$2,367	
Misc. Deferred Debits - incl. Rebate Cheques	1525			
Deferred Payments in Lieu of Taxes	1562			
PILs Contra Account	1563			
Qualifing Transition Costs	1570		$12,500	
Pre-Market Opening Energy Variances Total	1571		$74,120	
Pre-Market Opening Energy Variances - 2001				
Pre-Market Opening Energy Variances - 2002		$74,120		
Extra-Ordinary Event Losses	1572		$0	
Deferred Rate Impact Amounts	1574		$0	
Other Deferred Credits	2425		$0	
Total Applied-for Regulatory Assets		**(a)**	$256,089	
(1) Total of 4 RSVA Accounts		**(b)**	$160,837	Approved for 2004 Final Recovery
4 RSVA accounts as a percent of total: (b) / (a)			62.8%	
(2) 25 % of (a)		**(c)**	$64,022	

If (b) is greater than (c) go to Section 1

If (b) is less than (c) go to Section 2

Section 1: For LDCs with 4 RSVA accounts greater than 25 % of Total:

25% of total applied-for Regulatory Asset Accounts: Amount (c)	$64,022	Approved for Final 2004 Rate Recovery
Gross Up for Recovery over 11 months: Amount (c) x 12/11	$69,842	Enter this amount on Sheet 3 (Therefore, entry on Sheet 5 is zero.)
Remaining Final Amount to be recovered in future periods (b) - (c)	$96,815	Ignore minus sign

Section 2: For LDCs with 4 RSVA accounts less than 25 % of Total:

25% of total applied-for Regulatory Asset Accounts: Amount (c)		$64,022	Approved for 2004 Rate Recovery
Final 4 RSVA Amount as shown at (b)		$160,837	
Gross Up for Recovery over 11 months: Amount (b) x 12/11		$175,459	Enter this amount on Sheet 3
Interim Amount to be recovered (c) - (b)	**(d)**	-$96,815	
Gross Up for Recovery over 11 months: Amount (d) x 12/11		-$105,616	Enter this amount on Sheet 5
Total Final + Interim Amount for Recovery (b) + (d) (no gross up)		$64,022	

Rate Implementation

	Check Box Yes or No
Our utility is able to pro-rate the bill so that consumption before April 1 is at the old rates and post April 1 consumption is billed at the new rates.	YES
Our utility is not able to pro-rate consumption and therefore our customers will not be charged the new rates until the completion of an entire billing cycle.	

SHEET 2 - 2002 Base Rate Schedule

V1

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

Enter the values for your 2002 Base Rates as shown in your 2002 RA Model at Sheet 4.
This is the version of the model that was used to determine your current OEB approved rate schedule.
(This removes the impact of the recovery of Q4 2001 PILs, 2002 PILs, and any Z-factors or Interim Transition Cost approvals from Existing Rates).
You may adjust the rate classes if your LDC has non-standard classes.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0080
MONTHLY SERVICE CHARGE (Per Customer)	$6.44

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0068
MONTHLY SERVICE CHARGE (Per Customer)	$16.12

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.2258
MONTHLY SERVICE CHARGE (Per Customer)	$153.28

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

GENERAL SERVICE INTERMEDIATE USE - Scattered Load

DISTRIBUTION KW RATE	$0.0203
MONTHLY SERVICE CHARGE (Per Customer)	$10.00

LARGE USE

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.0658
MONTHLY SERVICE CHARGE (Per Connection)	$1.94

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.1252
MONTHLY SERVICE CHARGE (Per Connection)	$0.43

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES BELOW.
Please enter these charges exactly as they are entered on your current approved rate schedule.
Please add your own specific charges as necessary.

New Account Setup		$	9.00
Change of Occupancy	regular		
	late		
Account History			
Administration Fee			
Current Year Data			
Each Additional Year Data			
Dispute Involvement Charge		$	10.00
Arrear's Certificate		$	12.70
Late Payment			1.50%
Returned Cheque		$	9.00
Collection of Account Charge		$	9.00
Disconnect/Reconnect Charges (non payment of account)			
At Meter - During Regular Hours		$	20.00
At Meter - After Hours		$	50.00
for reasons other than safety		$	50.00
Temporary Pole Service		$	200.00
After Hours High Voltage Station Outage			
Residential Service 2nd Visit to Connect New Service			
Residential Service After Hours Visit to Connect New Service			
Diversity Adjustment Credit (per KW)	Winter		
(discontinued at Market Opening)	Summer		
Service Calls	during Regular Ho	$	17.00
	After Hours	$	26.80

SHEET 3 - Calculating Rate Increases using 2002 LDC Data and adding the 4 major 2004 RSVA related Approved Regulatory Assets

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

This schedule requires LDCs to input the 2002 statistics which will be used to allocate Regulatory Assets related to the 4 major RSVA accounts.
The 4 RSVA related accounts will be allocated to the customer classes on the basis of kWh sales.

Enter the Approved Regulatory Asset recovery from Sheet 1 at either cell D57 or D72. $ 69,842.47
If the total of the 4 major RSVA related Regulatory Assets is less than 25% of the total Regualtory Assets applied for,
enter the additional interim approved amount on Sheet 5.

Use the Table below to enter the 2002 statistics for your LDC.
The share of class kWh sold in 2002 is used to allocate the approved final Regulatory Asset amounts related to the 4 major RSVA accounts.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 kWh Shares	2002 Reg. Asset RSVA Allocations
RESIDENTIAL CLASS	-	20,159,682	1,942	$301,755.09	41.3%	$ 28,821.03
GENERAL SERVICE <50 KW CLASS	-	10,439,326	309	$128,087.32	21.4%	$ 14,924.45
GENERAL SERVICE >50 KW NON TIME OF USE	38,171	17,664,092	24	$90,380.90	36.2%	$ 25,253.24
GENERAL SERVICE >50 KW TIME OF USE					0.0%	$ -
INTERMEDIATE USE - Scattered Load	161,331	161,331	19	$4,262.41	0.3%	$ 230.64
LARGE USER CLASS	.				0.0%	$ -
SENTINEL LIGHTS	28	5,535	20	$489.02	0.0%	$ 7.91
STREET LIGHTING CLASS	1,147	423,318	617	$6,245.48	0.9%	$ 605.19
TOTALS		48,853,284	2,931	$531,220.22	1.00	$ 69,842.47
		Allocated Total for 4 major RSVA accounts ==>				$ 69,842.47

Residential Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G22 above)	$ 28,821.03	$ -	$ 28,821.03
(B) RETAIL kWh in 2002	20,159,682		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.001430		

General Service <50kW Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G23 above)	$ 14,924.45	$ -	$ 14,924.45
(B) RETAIL kWh in 2002	10,439,326		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.001430		

General Service >50kW Class Non TOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	Percentage	Percentage	
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G24 above)	$ 25,253.24	$ -	$ 25,253.24
(B) RETAIL KW in 2002	38,171		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.661582		

General Service >50kW ClassTOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	Percentage	Percentage	
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	Percentage	Percentage	
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G26 above)	$ 230.64	$ -	$ 230.64
(B) RETAIL KW in 2002	161,331		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.001430		

Large User Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	Percentage	Percentage	
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G27 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	.		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#VALUE!		

Sentinel Lighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	Percentage	Percentage	
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G28 above)	$ 7.91	$ -	$ 7.91
(B) RETAIL KW in 2002	28		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.282609		

Streetlighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	Percentage	Percentage	
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G29 above)	$ 605.19	$ -	$ 605.19
(B) RETAIL KW in 2002	1,147		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.527630		

SHEET 4 - 2004 Rates including 2004 Recovery of the 4 Major RSVA Accounts

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of the 4 major RSVA accounts.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0094
MONTHLY SERVICE CHARGE (Per Customer)	$6.44

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0014
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0082
MONTHLY SERVICE CHARGE (Per Customer)	$16.12

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.8874
MONTHLY SERVICE CHARGE (Per Customer)	$153.28

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE - Scattered Load

DISTRIBUTION KW RATE	$0.0217
MONTHLY SERVICE CHARGE (Per Customer)	$10.00

LARGE USE

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.3484
MONTHLY SERVICE CHARGE (Per Connection)	$1.94

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.2826
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.6528
MONTHLY SERVICE CHARGE (Per Connection)	$0.43

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.5276
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

SHEET 5 - Calculating Rate Increases using 2002 LDC Data and additional Interim Regulatory Assets

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate interim approved Regulatory Asset amounts required to achieve the 25% threshold. (If the 4 major RSVA accounts do not total to 25% or more of total Reguatory Assets applied for.)

The interim Regulatory Assets will be allocated to the customer classes on the basis of distribution revenue.

Enter the Interim Regulatory Asset recovery from Sheet 1 at cell D76. $ -

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2002 Interim Reg. Asset Allocations
RESIDENTIAL CLASS	-	20,159,682	1,942	$301,755.09	56.8%	$ -
GENERAL SERVICE <50 KW CLASS	-	10,439,326	309	$128,087.32	24.1%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	38,171	17,664,092	24	$90,380.90	17.0%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	$ -
INTERMEDIATE USE - Scattered Load	161,331	161,331	19	$4,262.41	0.8%	$ -
LARGE USER CLASS	.	0	0	$0.00	0.0%	$ -
SENTINEL LIGHTS	28	5,535	20	$489.02	0.1%	$ -
STREET LIGHTING CLASS	1,147	423,318	617	$6,245.48	1.2%	$ -
TOTALS		48,853,284	2,931	$531,220.22	1.00	$ -
		Allocated Total for additional interim amounts ==>				$ -

Residential Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	$ -	$ -	$ -
(B) RETAIL kWh in 2002	20,159,682		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(E (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		

General Service <50kW Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above)	$ -	$ -	$ -

(B) RETAIL kWh in 2002	10,439,326
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(E (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000

General Service >50kW Class Non TOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	38,171		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		

General Service >50kW ClassTOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	161,331		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		

Large User Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G27 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	.		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#VALUE!		

Sentinel Lighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G28 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	28		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		

Streetlighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	1,147		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000000		

SHEET 6 - 2004 Rates including 2004 Recovery of Interim Regulatory Asset Amounts

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of interim Regulatory Asset Amounts if required to achieve the 25% Regulatory Asset threshold.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0094
MONTHLY SERVICE CHARGE (Per Customer)	$6.44

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0014
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0082
MONTHLY SERVICE CHARGE (Per Customer)	$16.12

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.8874
MONTHLY SERVICE CHARGE (Per Customer)	$153.28

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE - Scattered Load

DISTRIBUTION KW RATE	$0.0217
MONTHLY SERVICE CHARGE (Per Customer)	$10.00

LARGE USE

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.3484
MONTHLY SERVICE CHARGE (Per Connection)	$1.94

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.2826
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.6528
MONTHLY SERVICE CHARGE (Per Connection)	$0.43

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.5276
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

SHEET 7 - Calculating Rate Increases using 2002 LDC Data and the 2004 PILs Proxy

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate the 2004 PILs proxy amount.
The PILS proxy amount is the same amount used for the PILs proxy in 2002.

The 2004 PILs Proxy will be allocated to the customer classes on the basis of distribution revenue.

Enter the 2002 PILs proxy amount as approved by the OEB in 2002 and shown on your 2002 RAM model at Sheet 8. $ 26,063.00

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2004 PILs Proxy Allocations
RESIDENTIAL CLASS	-	20,159,682	1,942	$301,755.09	56.8%	$ 14,804.86
GENERAL SERVICE <50 KW CLASS	-	10,439,326	309	$128,087.32	24.1%	$ 6,284.29
GENERAL SERVICE >50 KW NON TIME OF USE	38,171	17,664,092	24	$90,380.90	17.0%	$ 4,434.31
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	$ -
INTERMEDIATE USE - Scattered Load	161,331	161,331	19	$4,262.41	0.8%	$ 209.12
LARGE USER CLASS	.	0	0	$0.00	0.0%	$ -
SENTINEL LIGHTS	28	5,535	20	$489.02	0.1%	$ 23.99
STREET LIGHTING CLASS	1,147	423,318	617	$6,245.48	1.2%	$ 306.42
TOTALS		48,853,284	2,931	$531,220.22	1.00	$ 26,063.00
		Allocated Total for additional interim amounts ==>				$ 26,063.00

Residential Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G22 above)	$ 14,804.86	$ -	$ 14,804.86
(B) RETAIL kWh in 2002	20,159,682		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(E (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000734		

General Service <50kW Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G23 above)	$ 6,284.29	$ -	$ 6,284.29
(B) RETAIL kWh in 2002	10,439,326		

(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(E $0.000602
(this amount is added to the kWh rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

General Service >50kW Class Non TOU

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G24 above)	$ 4,434.31	$ -	$ 4,434.31
(B) RETAIL KW in 2002	38,171		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.116170		

General Service >50kW ClassTOU

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G26 above)	$ 209.12	$ -	$ 209.12
(B) RETAIL KW in 2002	161,331		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.001296		

Large User Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery

	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G27 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	.		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#VALUE!		

Sentinel Lighting Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G28 above)	$ 23.99	$ -	$ 23.99
(B) RETAIL KW in 2002	28		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.856877		

Streetlighting Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G29 above)	$ 306.42	$ -	$ 306.42
(B) RETAIL KW in 2002	1,147		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.267148		

SHEET 8 - 2004 Rates including Recovery of 2004 PILs

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of 2004 PILs.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0102
MONTHLY SERVICE CHARGE (Per Customer)	$6.44

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0022
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0088
MONTHLY SERVICE CHARGE (Per Customer)	$16.12

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.0036
MONTHLY SERVICE CHARGE (Per Customer)	$153.28

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE - Scattered Load

DISTRIBUTION KW RATE	$0.0230
MONTHLY SERVICE CHARGE (Per Customer)	$10.00

LARGE USE

DISTRIBUTION KW RATE	#VALUE!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$6.2053
MONTHLY SERVICE CHARGE (Per Connection)	$1.94

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$1.1395
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.9200
MONTHLY SERVICE CHARGE (Per Connection)	$0.43

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.7948
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

SHEET 9 - Adjustment to Maintain the Current Service Charge Level

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

This sheet adjusts the resulting fixed Monthly Service Charge to maintain the charge at current levels.
The kWh distribution rate is then adjusted to maintain revenue neutrality in the class.

Input the current approved Monthly Service Charge in the following table at Column E.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Current Approved Fixed Charge
RESIDENTIAL CLASS	-	20,159,682	1,942	$6.84
GENERAL SERVICE <50 KW CLASS	-	10,439,326	309	$17.22
GENERAL SERVICE >50 KW NON TIME OF USE	38,171	17,664,092	24	$162.24
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00
INTERMEDIATE USE - Scattered Load	161,331	161,331	19	$10.64
LARGE USER CLASS	.	0	0	$0.00
SENTINEL LIGHTS	28	5,535	20	$2.03
STREET LIGHTING CLASS	1,147	423,318	617	$0.45
TOTALS		48,853,284	2,931	

Residential Class

Revenue from Current Monthly Service Charge			$159,399	
Revenue from Calculated Monthly Service Charge (Sheet 8)			$150,078	
Difference			$9,322	
Variable Rate Adjustment	$/kWh	$	0.0005	
Adjusted Variable Rate	$/kWh			$ 0.0097

Residential Class (Time of Use)

Revenue from Current Monthly Service Charge			$159,399	
Revenue from Calculated Monthly Service Charge (Sheet 8)			$150,078	
Difference			$9,322	
Variable Rate Adjustment	$/kWh	$	0.0005	
Adjusted Variable Rate	$/kWh			$ 0.0017

General Service <50 kW Class

Revenue from Current Monthly Service Charge			$63,852	
Revenue from Calculated Monthly Service Charge (Sheet 8)			$59,773	
Difference			$4,079	
Variable Rate Adjustment	$/kWh	$	0.0004	
Adjusted Variable Rate	$/kWh			$ 0.0084

General Service >50 kW Class (Non Time of Use)

Revenue from Current Monthly Service Charge			$46,725
Revenue from Calculated Monthly Service Charge (Sheet 8)			$44,145
Difference			$2,580
Variable Rate Adjustment	$/kW	$	0.0676

Adjusted Variable Rate	$/kW		$ 1.9359

General Service >50 kW Class (Time of Use)

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kW	#DIV/0!	
Adjusted Variable Rate	$/kW		#DIV/0!

General Service Intermediate Use Class

Revenue from Current Monthly Service Charge		$2,426	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$2,280	
Difference		$146	
Variable Rate Adjustment	$/kW	0.000904476	
Adjusted Variable Rate	$/kW		$ 0.0221

General Service Large Use Class

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kW	#VALUE!	
Adjusted Variable Rate	$/kW		#VALUE!

Sentinal Lights (Non Time of Use)

Revenue from Current Monthly Service Charge		$487	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$466	
Difference		$22	
Variable Rate Adjustment	$/kW	0.771428571	
Adjusted Variable Rate	$/kW		$ 5.4339

OR

Sentinal Lights (Time of Use)

Revenue from Current Monthly Service Charge		$487	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$487	
Variable Rate Adjustment	$/kW	17.4	
Adjusted Variable Rate	$/kW		$ (16.2605)

Streetlighting (Non Time of Use)

Revenue from Current Monthly Service Charge		$3,332	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$3,184	
Difference		$148	
Variable Rate Adjustment	$/kW	0.1291	
Adjusted Variable Rate	$/kW		$ 3.7909

OR

Streetlighting (Time of Use)

Revenue from Current Monthly Service Charge		$3,332	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$3,332	
Variable Rate Adjustment	$/kW	2.90	
Adjusted Variable Rate	$/kW		$ (2.1100)

LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.

RESIDENTIAL

Monthly Service Charge	(per month)	$6.84
Distribution Volumetric Rate	(per kWh)	$0.0097

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	$6.84
Distribution Volumetric Rate	(per kWh)	$0.0017

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$17.22
Distribution Volumetric Rate	(per kWh)	$0.0084

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$162.24
Distribution Volumetric Rate	(per kW)	$1.9359

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!

GENERAL SERVICE INTERMEDIATE USE - Scattered Load

Monthly Service Charge	(per month)	$10.64
Distribution Volumetric Rate	(per kWh)	$0.0221

LARGE USE

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	#VALUE!

Scugog Hydro Energy Corporation RP-2004-0091
Schedule of Distribution Rates and Charges EB-2004-0077
Effective April 1, 2004 until February 28, 2005
(continued)

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$2.03
Distribution Volumetric Rate	(per kW)	$5.4339

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	$2.03
Distribution Volumetric Rate	(per kW)	-$16.2605

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.45
Distribution Volumetric Rate	(per kW)	$3.7909

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	$0.45
Distribution Volumetric Rate	(per kW)	-$2.1100

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES HERE (as on Sheet 2)

New Account Setup		$	9.00
Change of Occupancy	regular		
	late		
Account History			
	Administration Fee		
	Current Year Data		
	Each Additional Year Data		
Dispute Involvement Charge		$	10.00
Arrear's Certificate		$	12.70
Late Payment			1.50%
Returned Cheque		$	9.00
Collection of Account Charge		$	9.00
Disconnect/Reconnect Charges (non payment of account)			
	At Meter - During Regular Hours	$	20.00
	At Meter - After Hours	$	50.00
	for reasons other than safety	$	50.00
Temporary Pole Service		$	200.00
After Hours High Voltage Station Outage			
Residential Service 2nd Visit to Connect New Service			
Residential Service After Hours Visit to Connect New Service			
Diversity Adjustment Cr Winter			
(discontinued at Market Summer			
Service Calls	during Regular Hours	$	17.00
	After Hours	$	26.80

Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments

(commodity price constant)

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

This schedule provides an estimate of bill impacts using the 2004 Rate Schedule which includes the Regulatory Asset Recovery and the 2004 PILs amount.
The 2004 bill does not include the new tiered commodity rate that will come into effect on April 1, 2004.

Note: Enter your current kWh rates, not the rates on Sheet 2.

Enter your Current Distribution kWh Charge. Monthly Service Charge is Transferred from Sheet 9

RESIDENTIAL CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL					2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)						
ENTER DESIRED CONSUMPTION LEVEL	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
100 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	6.84		MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84			
DISTRIBUTION kWh	100	0.0085	$	0.85		DISTRIBUTION kWh	100	0.0097	$ 0.97			
OTHER CHARGES kWh	100	0.0239	$	2.39		OTHER CHARGES kWh	100	0.0239	$ 2.39			
COST OF POWER kWh	100	0.0430	$	4.30		COST OF POWER kWh	100	0.0430	$ 4.30			
CURRENT 2003 BILL			$	14.38		Adjusted 2004 BILL			$ 14.50	$ 0.12	0.8%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
250 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	6.84		MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84			
DISTRIBUTION kWh	250	0.0085	$	2.13		DISTRIBUTION kWh	250	0.0097	$ 2.43			
OTHER CHARGES kWh	250	0.0239	$	5.98		OTHER CHARGES kWh	250	0.0239	$ 5.98			
COST OF POWER kWh	250	0.0430	$	10.75		COST OF POWER kWh	250	0.0430	$ 10.75			
CURRENT 2003 BILL			$	25.69		Adjusted 2004 BILL			$ 25.99	$ 0.30	1.2%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
500 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	6.84		MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84			
DISTRIBUTION kWh	500	0.0085	$	4.25		DISTRIBUTION kWh	500	0.0097	$ 4.85			
OTHER CHARGES kWh	500	0.0239	$	11.95		OTHER CHARGES kWh	500	0.0239	$ 11.95			
COST OF POWER kWh	500	0.0430	$	21.50		COST OF POWER kWh	500	0.0430	$ 21.50			
CURRENT 2003 BILL			$	44.54		Adjusted 2004 BILL			$ 45.14	$ 0.60	1.3%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
750 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	6.84		MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84			
DISTRIBUTION kWh	750	0.0085	$	6.38		DISTRIBUTION kWh	750	0.0097	$ 7.28			
OTHER CHARGES kWh	750	0.0239	$	17.93		OTHER CHARGES kWh	750	0.0239	$ 17.93			
COST OF POWER kWh	750	0.0430	$	32.25		COST OF POWER kWh	750	0.0430	$ 32.25			
CURRENT 2003 BILL			$	63.39		Adjusted 2004 BILL			$ 64.29	$ 0.90	1.4%	
MONTHLY CONSUMPTION OF	**kWh**	**RATE**	**CHARGE**				**kWh**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**	
1000 kWh	**(enter)**	**$/kWh**	**$**					**$/kWh**	**$**	**DOLLARS**	**%**	
MONTHLY SERVICE CHARGE	n/a	n/a	$	6.84		MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84			
DISTRIBUTION kWh	1000	0.0085	$	8.50		DISTRIBUTION kWh	1000	0.0097	$ 9.70			
OTHER CHARGES kWh	1000	0.0239	$	23.90		OTHER CHARGES kWh	1000	0.02390	$ 23.90			
COST OF POWER kWh	1000	0.0430	$	43.00		COST OF POWER kWh	1000	0.0430	$ 43.00			
CURRENT 2003 BILL			$	82.24		Adjusted 2004 BILL			$ 83.44	$ 1.20	1.5%	

MONTHLY CONSUMPTION OF 1500 kWh		kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84		
	DISTRIBUTION kWh	1500	0.0085	$ 12.75	DISTRIBUTION kWh	1500	0.0097	$ 14.55		
	OTHER CHARGES kWh	1500	0.0239	$ 35.85	OTHER CHARGES kWh	1500	0.0239	$ 35.85		
	COST OF POWER kWh	1500	0.0430	$ 64.50	COST OF POWER kWh	1500	0.0430	$ 64.50		
	CURRENT 2003 BILL			$ 119.94	Adjusted 2004 BILL			$ 121.74	$ 1.80	1.5%

MONTHLY CONSUMPTION OF 2000 kWh		kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84		
	DISTRIBUTION kWh	2000	0.0085	$ 17.00	DISTRIBUTION kWh	2000	0.0097	$ 19.40		
	OTHER CHARGES kWh	2000	0.0239	$ 47.80	OTHER CHARGES kWh	2000	0.0239	$ 47.80		
	COST OF POWER kWh	2000	0.0430	$ 86.00	COST OF POWER kWh	2000	0.0430	$ 86.00		
	CURRENT 2003 BILL			$ 157.64	Adjusted 2004 BILL			$ 160.04	$ 2.40	1.5%

GENERAL SERVICE < 50 KW

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL 1000 kWh		kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$17.22	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22		
	DISTRIBUTION kWh	1000	0.0072	$ 7.20	DISTRIBUTION kWh	1000	0.0084	$ 8.44		
	OTHER CHARGES kWh	1000	0.0229	$ 22.90	OTHER CHARGES kWh	1000	0.0229	$ 22.90		
	COST OF POWER kWh	1000	0.0430	$ 43.00	COST OF POWER kWh	1000	0.0430	$ 43.00		
	CURRENT 2003 BILL			$ 90.32	Adjusted 2004 BILL			$ 91.56	$ 1.24	1.4%

MONTHLY CONSUMPTION 2000 kWh		kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22		
	DISTRIBUTION kWh	2000	0.0072	$ 14.40	DISTRIBUTION kWh	2000	0.0084	$ 16.88		
	OTHER CHARGES kWh	2000	0.0229	$ 45.80	OTHER CHARGES kWh	2000	0.0229	$ 45.80		
	COST OF POWER kWh	2000	0.0430	$ 86.00	COST OF POWER kWh	2000	0.0430	$ 86.00		
	CURRENT 2003 BILL			$ 163.42	Adjusted 2004 BILL			$ 165.90	$ 2.48	1.5%

MONTHLY CONSUMPTION 5000 kWh		kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22		
	DISTRIBUTION kWh	5000	0.0072	$ 36.00	DISTRIBUTION kWh	5000	0.0084	$ 42.20		
	OTHER CHARGES kWh	5000	0.0229	$ 114.50	OTHER CHARGES kWh	5000	0.0229	$ 114.50		
	COST OF POWER kWh	5000	0.0430	$ 215.00	COST OF POWER kWh	5000	0.0430	$ 215.00		
	CURRENT 2003 BILL			$ 382.72	Adjusted 2004 BILL			$ 388.92	$ 6.20	1.6%

MONTHLY CONSUMPTION 10,000 kWh		kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22		
	DISTRIBUTION kWh	10000	0.0072	$ 72.00	DISTRIBUTION kWh	10000	0.0084	$ 84.41		
	OTHER CHARGES kWh	10000	0.0229	$ 229.00	OTHER CHARGES kWh	10000	0.0229	$ 229.00		
	COST OF POWER kWh	10000	0.0430	$ 430.00	COST OF POWER kWh	10000	0.0430	$ 430.00		

	CURRENT 2003 BILL		$ 748.22	Adjusted 2004 BILL			$ 760.63	$ 12.41	1.7%

MONTHLY CONSUMPTION 15,000 KWh	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22		
DISTRIBUTION kWh	15000	0.0072	$ 108.00	DISTRIBUTION kWh	15000	0.0084	$ 126.61		
OTHER CHARGES kWh	15000	0.0229	$ 343.50	OTHER CHARGES kWh	15000	0.0229	$ 343.50		
COST OF POWER kWh	15000	0.0430	$ 645.00	COST OF POWER kWh	15000	0.0430	$ 645.00		
CURRENT 2003 BILL			$ 1,113.72	Adjusted 2004 BILL			$ 1,132.33	$ 18.61	1.7%

GENERAL SERVICE > 50 KW NON TIME OF USE

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for your utility.
Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$162.24	MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24		
DISTRIBUTION kW	60	1.3004	$ 78.02	DISTRIBUTION kW	60	1.9359	$ 116.16		
OTHER CHARGES kW	60	3.9100	$ 234.60	OTHER CHARGES kW	60	3.9100	$ 234.60		
OTHER CHARGES kWh	15,000	0.0132	$ 198.00	OTHER CHARGES kWh	15,000	0.0132	$ 198.00		
COST OF POWER kWh	15,000	0.0550	$ 825.00	COST OF POWER kWh	15,000	0.0550	$ 825.00		
CURRENT 2003 BILL			$ 1,497.86	Adjusted 2004 BILL			$ 1,536.00	$ 38.13	2.5%

MONTHLY CONSUMPTION 100kW, 40,000kWh	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24	MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24		
DISTRIBUTION kW	100	1.3004	$ 130.04	DISTRIBUTION kW	100	1.9359	$ 193.59		
OTHER CHARGES kW	100	3.9100	$ 391.00	OTHER CHARGES kW	100	3.9100	$ 391.00		
OTHER CHARGES kWh	40,000	0.0132	$ 528.00	OTHER CHARGES kWh	40,000	0.0132	$ 528.00		
COST OF POWER kWh	40,000	0.0550	$ 2,200.00	COST OF POWER kWh	40,000	0.0550	$ 2,200.00		
CURRENT 2003 BILL			$ 3,411.28	Adjusted 2004 BILL			$ 3,474.83	$ 63.55	1.9%

MONTHLY CONSUMPTION 500kW, 100,000kWh	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24	MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24		
DISTRIBUTION kW	500	1.3004	$ 650.20	DISTRIBUTION kW	500	1.9359	$ 967.97		
OTHER CHARGES kW	500	3.9100	$ 1,955.00	OTHER CHARGES kW	500	3.9100	$ 1,955.00		
OTHER CHARGES kWh	100,000	0.0132	$ 1,320.00	OTHER CHARGES kWh	100,000	0.0132	$ 1,320.00		
COST OF POWER kWh	100,000	0.0550	$ 5,500.00	COST OF POWER kWh	100,000	0.0550	$ 5,500.00		
CURRENT 2003 BILL			$ 9,587.44	Adjusted 2004 BILL			$ 9,905.21	$ 317.77	3.3%

MONTHLY CONSUMPTION 1000kW, 400,000kWh	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24	MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24		
DISTRIBUTION kW	1000	1.3004	$ 1,300.40	DISTRIBUTION kW	1000	1.9359	$ 1,935.95		
OTHER CHARGES kW	1000	3.9100	$ 3,910.00	OTHER CHARGES kW	1000	3.9100	$ 3,910.00		
OTHER CHARGES kWh	400,000	0.0132	$ 5,280.00	OTHER CHARGES kWh	400,000	0.0132	$ 5,280.00		
COST OF POWER kWh	400,000	0.0550	$ 22,000.00	COST OF POWER kWh	400,000	0.0550	$ 22,000.00		
CURRENT 2003 BILL			$ 32,652.64	Adjusted 2004 BILL			$ 33,288.19	$ 635.55	1.9%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %

MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24	MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24	
DISTRIBUTION kW	3000	1.3004	$ 3,901.20	DISTRIBUTION kW	3000	1.9359	$ 5,807.85	
OTHER CHARGES kW	3000	3.9100	$ 11,730.00	OTHER CHARGES kW	3000	3.9100	$ 11,730.00	
OTHER CHARGES kWh	1,000,000	0.0132	$ 13,200.00	OTHER CHARGES kWh	1,000,000	0.0132	$ 13,200.00	
COST OF POWER kWh	1,000,000	0.0550	$ 55,000.00	COST OF POWER kWh	1,000,000	0.0550	$ 55,000.00	
CURRENT 2003 BILL			$ 83,993.44	Adjusted 2004 BILL			$ 85,900.09	$ 1,906.65	2.3%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24	MONTHLY SERVICE CHARGE	n/a	n/a	$ 162.24		
DISTRIBUTION kW	4000	1.3004	$ 5,201.60	DISTRIBUTION kW	4000	1.93595	$ 7,743.79		
OTHER CHARGES kW	4000	3.9100	$ 15,640.00	OTHER CHARGES kW	4000	3.9100	$ 15,640.00		
OTHER CHARGES kWh	1,800,000	0.0132	$ 23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	$ 23,760.00		
COST OF POWER kWh	1,800,000	0.0550	$ 99,000.00	COST OF POWER kWh	1,800,000	0.0550	$ 99,000.00		
CURRENT 2003 BILL			$ 143,763.84	Adjusted 2004 BILL			$146,306.03	$ 2,542.19	1.8%

GENERAL SERVICE >50 KW TIME OF USE

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$0.00	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	60	0.0000	$ -	DISTRIBUTION kW	60	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	60	4.2138	$ 252.83	OTHER CHARGES kW	60	4.2138	$ 252.83		
OTHER CHARGES kWh	15,000	0.0132	$ 198.00	OTHER CHARGES kWh	15,000	0.0132	$ 198.00		
COST OF POWER kWh	15,000	0.0550	$ 825.00	COST OF POWER kWh	15,000	0.0550	$ 825.00		
CURRENT 2003 BILL			$ 1,275.83	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 100kW, 40,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	100	4.2138	$ 421.38	OTHER CHARGES kW	100	4.2138	$ 421.38		
OTHER CHARGES kWh	40,000	0.0132	$ 528.00	OTHER CHARGES kWh	40,000	0.0132	$ 528.00		
COST OF POWER kWh	40,000	0.0550	$ 2,200.00	COST OF POWER kWh	40,000	0.0550	$ 2,200.00		
CURRENT 2003 BILL			$ 3,149.38	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 500kW, 100,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	500	0.0000	$ -	DISTRIBUTION kW	500	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	500	4.2138	$ 2,106.90	OTHER CHARGES kW	500	4.2138	$ 2,106.90		
OTHER CHARGES kWh	100,000	0.0132	$ 1,320.00	OTHER CHARGES kWh	100,000	0.0132	$ 1,320.00		
COST OF POWER kWh	100,000	0.0550	$ 5,500.00	COST OF POWER kWh	100,000	0.0550	$ 5,500.00		
CURRENT 2003 BILL			$ 8,926.90	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 1000kW, 400,000kWh

	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		

DISTRIBUTION kW	1000	0.0000	$ -	DISTRIBUTION kW	1000	#DIV/0!	#DIV/0!	
OTHER CHARGES kW	1000	4.2138	$ 4,213.80	OTHER CHARGES kW	1000	4.2138	$ 4,213.80	
OTHER CHARGES kWh	400,000	0.0132	$ 5,280.00	OTHER CHARGES kWh	400,000	0.0132	$ 5,280.00	
COST OF POWER kWh	400,000	0.0550	$ 22,000.00	COST OF POWER kWh	400,000	0.0550	$ 22,000.00	
CURRENT 2003 BILL			$ 31,493.80	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	3000	0.0000	$ -	DISTRIBUTION kW	3000	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	3000	4.2138	$ 12,641.40	OTHER CHARGES kW	3000	4.2138	$ 12,641.40		
OTHER CHARGES kWh	1,000,000	0.0132	$ 13,200.00	OTHER CHARGES kWh	1,000,000	0.0132	$ 13,200.00		
COST OF POWER kWh	1,000,000	0.0550	$ 55,000.00	COST OF POWER kWh	1,000,000	0.0550	$ 55,000.00		
CURRENT 2003 BILL			$ 80,841.40	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	4000	0.0000	$ -	DISTRIBUTION kW	4000	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	4000	4.2138	$ 16,855.20	OTHER CHARGES kW	4000	4.2138	$ 16,855.20		
OTHER CHARGES kWh	1,800,000	0.0132	$ 23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	$ 23,760.00		
COST OF POWER kWh	1,800,000	0.0550	$ 99,000.00	COST OF POWER kWh	1,800,000	0.0550	$ 99,000.00		
CURRENT 2003 BILL			$ 139,615.20	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE INTERMEDIATE CLASS - Scattered Load

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and
Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for your utility.
Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$10.64	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.64		
3000kW, 800,000 kWh DISTRIBUTION kW	3000	0.0220	$ 66.00	DISTRIBUTION kW	3000	0.0221	$ 66.36		
OTHER CHARGES kW	3000	4.2138	$ 12,641.40	OTHER CHARGES kW	3000	4.2138	$ 12,641.40		
OTHER CHARGES kWh	800,000	0.0132	$ 10,560.00	OTHER CHARGES kWh	800,000	0.0132	$ 10,560.00		
COST OF POWER kWh	800,000	0.0550	$ 44,000.00	COST OF POWER kWh	800,000	0.0550	$ 44,000.00		
CURRENT 2003 BILL			$ 67,278.04	Adjusted 2004 BILL			$ 67,278.40	$ 0.36	0.0%

MONTHLY CONSUMPTION 3000kW, 1,000,000kWh	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.64	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.64		
DISTRIBUTION kW	3000	0.0220	$ 66.00	DISTRIBUTION kW	3000	0.0221	$ 66.36		
OTHER CHARGES kW	3000	4.2138	$ 12,641.40	OTHER CHARGES kW	3000	4.2138	$ 12,641.40		
OTHER CHARGES kWh	1,000,000	0.0132	$ 13,200.00	OTHER CHARGES kWh	1,000,000	0.0132	$ 13,200.00		
COST OF POWER kWh	1,000,000	0.0550	$ 55,000.00	COST OF POWER kWh	1,000,000	0.0550	$ 55,000.00		
CURRENT 2003 BILL			$ 80,918.04	Adjusted 2004 BILL			$ 80,918.40	$ 0.36	0.0%

MONTHLY CONSUMPTION 4000kW, 1,200,000kWh	kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.64	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.64		
DISTRIBUTION kW	4000	0.0220	$ 88.00	DISTRIBUTION kW	4000	0.0221	$ 88.49		

OTHER CHARGES kW	4000	4.2138	$ 16,855.20	OTHER CHARGES kW	4000	4.2138	$ 16,855.20	
OTHER CHARGES kWh	1,200,000	0.0132	$ 15,840.00	OTHER CHARGES kWh	1,200,000	0.0132	$ 15,840.00	
COST OF POWER kWh	1,200,000	0.0550	$ 66,000.00	COST OF POWER kWh	1,200,000	0.0550	$ 66,000.00	
CURRENT 2003 BILL			$ 98,793.84	Adjusted 2004 BILL			$ 98,794.33	$ 0.49	0.0%

MONTHLY CONSUMPTION 4000kW, 1,800,000kWh		kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.64	MONTHLY SERVICE CHARGE	n/a	n/a	$ 10.64		
	DISTRIBUTION kW	4000	0.0220	$ 88.00	DISTRIBUTION kW	4000	0.0221	$ 88.49		
	OTHER CHARGES kW	4000	4.2138	$ 16,855.20	OTHER CHARGES kW	4000	4.2138	$ 16,855.20		
	OTHER CHARGES kWh	########	0.0132	$ 23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	$ 23,760.00		
	COST OF POWER kWh	########	0.0550	$ 99,000.00	COST OF POWER kWh	1,800,000	0.0550	$ 99,000.00		
	CURRENT 2003 BILL			$ 139,713.84	Adjusted 2004 BILL			$139,714.33	$ 0.49	0.0%

LARGE USE CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.7369/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for your utility.
Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION		kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$0.00	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
6000kW, 2,800,000 kWh	DISTRIBUTION kW	6000	0.0000	$ -	DISTRIBUTION kW	6000	#VALUE!	#VALUE!		
	OTHER CHARGES kW	6000	4.7369	$ 28,421.40	OTHER CHARGES kW	6000	4.7369	$ 28,421.40		
	OTHER CHARGES kWh	2,800,000	0.0132	$ 36,960.00	OTHER CHARGES kWh	2,800,000	0.0132	$ 36,960.00		
	COST OF POWER kWh	2,800,000	0.0500	$ 140,000.00	COST OF POWER kWh	2,800,000	0.0500	$140,000.00		
	CURRENT 2003 BILL			$ 205,381.40	Adjusted 2004 BILL			#VALUE!	#VALUE!	#VALUE!

MONTHLY CONSUMPTION 15000kW, 10,000,000kWh		kW/kWh (enter)	RATE $kW/kWh	CHARGE $		kW/kWh	RATE $kW/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ -	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
	DISTRIBUTION kW	15000	0.0000	$ -	DISTRIBUTION kW	15000	#VALUE!	#VALUE!		
	OTHER CHARGES kW	15000	4.7369	$ 71,053.50	OTHER CHARGES kW	15000	4.7369	$ 71,053.50		
	OTHER CHARGES kWh	########	0.0132	$ 132,000.00	OTHER CHARGES kWh	10,000,000	0.0132	$132,000.00		
	COST OF POWER kWh	########	0.0500	$ 500,000.00	COST OF POWER kWh	########	0.0500	$500,000.00		
	CURRENT 2003 BILL			$ 703,053.50	Adjusted 2004 BILL			#VALUE!	#VALUE!	#VALUE!

Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments

(commodity price increase on April 1, 2004)

NAME OF UTILITY	Scugog Hydro Electricity Corporation	**LICENCE NUMBER**	ED-1999-0075
NAME OF CONTACT	Terry Aderly	**PHONE NUMBER**	905-668-5878
E- Mail Address	0		
VERSION NUMBER	Version 1		
Date	15-Jan-04		

This schedule provides an estimate of bill impacts using the 2004 Rate Schedule which includes the Regulatory Asset Recovery and the 2004 PILs amount.
The 2004 bill also includes the new tiered commodity rate that will come into effect on April 1, 2004.

Note: All Rates are transferred from Sheets 10 and 11.

RESIDENTIAL CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

NON-TIME OF USE

CURRENT 2003 BILL

2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)

ENTER DESIRED CONSUMPTION LEVEL
100 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84		
DISTRIBUTION kWh	100	0.0085	$ 0.85	DISTRIBUTION kWh	100	0.0097	$ 0.97		
OTHER CHARGES kWh	100	0.0239	$ 2.39	OTHER CHARGES kWh	100	0.0239	$ 2.39		
COST OF POWER kWh	100	0.0430	$ 4.30	COST OF POWER kWh	100	0.0470	$ 4.70		
CURRENT 2003 BILL			$ 14.38	Adjusted 2004 BILL			$ 14.90	$ 0.52	3.6%

MONTHLY CONSUMPTION OF
250 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84		
DISTRIBUTION kWh	250	0.0085	$ 2.13	DISTRIBUTION kWh	250	0.0097	$ 2.43		
OTHER CHARGES kWh	250	0.0239	$ 5.98	OTHER CHARGES kWh	250	0.0239	$ 5.98		
COST OF POWER kWh	250	0.0430	$ 10.75	COST OF POWER kWh	250	0.0470	$ 11.75		
CURRENT 2003 BILL			$ 25.69	Adjusted 2004 BILL			$ 26.99	$ 1.30	5.1%

MONTHLY CONSUMPTION OF
500 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84		
DISTRIBUTION kWh	500	0.0085	$ 4.25	DISTRIBUTION kWh	500	0.0097	$ 4.85		
OTHER CHARGES kWh	500	0.0239	$ 11.95	OTHER CHARGES kWh	500	0.0239	$ 11.95		
COST OF POWER kWh	500	0.0430	$ 21.50	COST OF POWER kWh	500	0.0470	$ 23.50		
CURRENT 2003 BILL			$ 44.54	Adjusted 2004 BILL			$ 47.14	$ 2.60	5.8%

MONTHLY CONSUMPTION OF
750 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84		
DISTRIBUTION kWh	750	0.0085	$ 6.38	DISTRIBUTION kWh	750	0.0097	$ 7.28		
OTHER CHARGES kWh	750	0.0239	$ 17.93	OTHER CHARGES kWh	750	0.0239	$ 17.93		
COST OF POWER kWh	750	0.0430	$ 32.25	COST OF POWER kWh	750	0.0470	$ 35.25		
CURRENT 2003 BILL			$ 63.39	Adjusted 2004 BILL			$ 67.29	$ 3.90	6.2%

MONTHLY CONSUMPTION OF
1000 kWh

	kWh (enter)	RATE $/kWh	CHARGE $		kWh	RATE $/kWh	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84		

DISTRIBUTION kWh	1000	0.0085	$	8.50	DISTRIBUTION kWh	1000	0.0097	$	9.70		
OTHER CHARGES kWh	1000	0.0239	$	23.90	OTHER CHARGES kWh	1000	0.02390	$	23.90		
COST OF POWER kWh	1000	0.0430	$	43.00	COST OF POWER kWh	750	0.0470	$	35.25		
					COST OF POWER kWh	250	0.0550	$	13.75		
CURRENT 2003 BILL			$	82.24	Adjusted 2004 BILL			$	89.44	$ 7.20	8.8%

MONTHLY CONSUMPTION OF 1500 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	6.84	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84		
DISTRIBUTION kWh	1500	0.0085	$	12.75	DISTRIBUTION kWh	1500	0.0097	$ 14.55		
OTHER CHARGES kWh	1500	0.0239	$	35.85	OTHER CHARGES kWh	1500	0.0239	$ 35.85		
COST OF POWER kWh	1500	0.0430	$	64.50	COST OF POWER kWh	750	0.0470	$ 35.25		
					COST OF POWER kWh	750	0.0550	$ 41.25		
CURRENT 2003 BILL			$	119.94	Adjusted 2004 BILL			$ 133.74	$ 13.80	11.5%

MONTHLY CONSUMPTION OF 2000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	6.84	MONTHLY SERVICE CHARGE	n/a	n/a	$ 6.84		
DISTRIBUTION kWh	2000	0.0085	$	17.00	DISTRIBUTION kWh	2000	0.0097	$ 19.40		
OTHER CHARGES kWh	2000	0.0239	$	47.80	OTHER CHARGES kWh	2000	0.0239	$ 47.80		
COST OF POWER kWh	2000	0.0430	$	86.00	COST OF POWER kWh	750	0.0470	$ 35.25		
					COST OF POWER kWh	1250	0.0550	$ 68.75		
CURRENT 2003 BILL			$	157.64	Adjusted 2004 BILL			$ 178.04	$ 20.40	12.9%

GENERAL SERVICE < 50 KW

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)**

MONTHLY CONSUMPTION OF 1000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	17.22	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22		
DISTRIBUTION kWh	1000	0.0072	$	7.20	DISTRIBUTION kWh	1000	0.00844	$ 8.44		
OTHER CHARGES kWh	1000	0.0229	$	22.90	OTHER CHARGES kWh	1000	0.0229	$ 22.90		
COST OF POWER kWh	1000	0.0430	$	43.00	COST OF POWER kWh	750	0.0470	$ 35.25		
					COST OF POWER kWh	250	0.0550	$ 13.75		
CURRENT 2003 BILL			$	90.32	Adjusted 2004 BILL			$ 97.56	$ 7.24	8.0%

MONTHLY CONSUMPTION OF 2000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	17.22	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22		
DISTRIBUTION kWh	2000	0.0072	$	14.40	DISTRIBUTION kWh	2000	0.0084	$ 16.88		
OTHER CHARGES kWh	2000	0.0229	$	45.80	OTHER CHARGES kWh	2000	0.0229	$ 45.80		
COST OF POWER kWh	2000	0.0430	$	86.00	COST OF POWER kWh	750	0.0470	$ 35.25		
					COST OF POWER kWh	1250	0.0550	$ 68.75		
CURRENT 2003 BILL			$	163.42	Adjusted 2004 BILL			$ 183.90	$ 20.48	12.5%

MONTHLY CONSUMPTION OF 5000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	17.22	MONTHLY SERVICE CHARGE	n/a	n/a	$ 17.22		

DISTRIBUTION kWh	5000	0.0072	$	36.00	DISTRIBUTION kWh	5000	0.0084	$	42.20		
OTHER CHARGES kWh	5000	0.0229	$	114.50	OTHER CHARGES kWh	5000	0.0229	$	114.50		
COST OF POWER kWh	5000	0.0430	$	215.00	COST OF POWER kWh	750	0.0470	$	35.25		
					COST OF POWER kWh	4250	0.0550	$	233.75		
CURRENT 2003 BILL			$	382.72	Adjusted 2004 BILL			$	442.92	$ 60.20	15.7%

MONTHLY CONSUMPTION OF 10000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	17.22	MONTHLY SERVICE CHARGE	n/a	n/a	$	17.22		
DISTRIBUTION kWh	10000	0.0072	$	72.00	DISTRIBUTION kWh	10000	0.0084	$	84.41		
OTHER CHARGES kWh	10000	0.0229	$	229.00	OTHER CHARGES kWh	10000	0.0229	$	229.00		
COST OF POWER kWh	10000	0.0430	$	430.00	COST OF POWER kWh	750	0.0470	$	35.25		
					COST OF POWER kWh	9250	0.0550	$	508.75		
CURRENT 2003 BILL			$	748.22	Adjusted 2004 BILL			$	874.63	$ 126.41	16.9%

MONTHLY CONSUMPTION OF 15000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**		**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	17.22	MONTHLY SERVICE CHARGE	n/a	n/a	$	17.22		
DISTRIBUTION kWh	15000	0.0072	$	108.00	DISTRIBUTION kWh	15000	0.0084	$	126.61		
OTHER CHARGES kWh	15000	0.0229	$	343.50	OTHER CHARGES kWh	15000	0.0229	$	343.50		
COST OF POWER kWh	15000	0.0430	$	645.00	COST OF POWER kWh	750	0.0470	$	35.25		
					COST OF POWER kWh	14250	0.0550	$	783.75		
CURRENT 2003 BILL			$	1,113.72	Adjusted 2004 BILL			$	1,306.33	$ 192.61	17.3%

Interim Rates RP-2004-0091

Scugog Hydro Electricity Corporation EB-2004-0077

Schedule of Changed Distribution Rates and Charges

Effective Date: March 1, 2004

Implementation Date: April 1, 2004

RESIDENTIAL

Monthly Service Charge	(per month)	$	6.84
Distribution Volumetric Rate	(per kWh)	$	0.0097

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$	17.22
Distribution Volumetric Rate	(per kWh)	$	0.0084

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$	162.24
Distribution Volumetric Rate	(per kW)	$	1.9359

UNMETERED SCATTERED LOAD

Monthly Service Charge	(per month)	$	10.64
Distribution Volumetric Rate	(per kWh)	$	0.0042

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	$	2.03
Distribution Volumetric Rate	(per kW)	$	5.4339

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$	0.45
Distribution Volumetric Rate	(per kW)	$	3.7909

2005 Rate Adjustment Model

Name of Utility:	**Scugog Hydro Energy Corporation**
License Number:	**ED-2002-0570**
File Number:	**RP-2005-0013**
	EB-2005-0072
Name of Contact:	**Susan Reffle**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**
Phone Number:	**905 668-5878 Extension: 262**
Date:	

Version Number: **2005.V1.1**

SHEET 1 - 2002 Base Rate Schedule

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.1**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878 Extension: 262**	
Date:		

Enter the values for your 2002 Base Rates as shown on sheet 4 of the 2002 RAM or sheet 2 of the 2004 RAM.
Using the 2002 base rates removes the impact of 2004 interim Regulatory Assets and the 2004 PILs Proxy, added in the approved rates on April 1, 2004.

Adjustments to rate classes may be made if your LDC has non-standard classes.

RESIDENTIAL

Distribution kWh Rate	$0.0090
Monthly Service Charge (Per Customer)	$7.24

RESIDENTIAL (TIME OF USE)

Distribution kWh Rate	
Monthly Service Charge (Per Customer)	

GENERAL SERVICE < 50 KW

Distribution kWh Rate	$0.0076
Monthly Service Charge (Per Customer)	$18.13

GENERAL SERVICE > 50 KW (NON TIME OF USE)

Distribution KW Rate	$1.3785
Monthly Service Charge (Per Customer)	$172.37

GENERAL SERVICE > 50 KW (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

SHEET 1 - 2002 Base Rate Schedule

General Service Intermediate Use-Scattered Load

Distribution KW Rate	$0.0228
Monthly Service Charge (Per Customer)	$11.25

LARGE USE

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

SENTINEL LIGHTS (NON TIME OF USE)

Distribution KW Rate	$5.6968
Monthly Service Charge (Per Connection)	$2.19

OR

SENTINEL LIGHTS (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Connection)	

STREET LIGHTING (NON TIME OF USE)

Distribution KW Rate	$3.5143
Monthly Service Charge (Per Connection)	$0.48

OR

STREET LIGHTING (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Connection)	

SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.1**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878** **Extension: 262**	
Date:		

Enter the final MARR installment calculated in the 2001 RUD Model	**$**	**62,851.00**
Have you applied for approval of your C&DM plan?		**yes**
Enter the amount applied for your C&DM plan		**$62,851.00**
Has the C&DM application been approved?		**no**
Enter the final MARR installment *(based on Board-Approved C&DM plan or applied-for amount)*	**$**	**62,851.00**

Grossed-up MARR based on 14 months recovery over 13 months.	**$**	**67,685.69**
Recovery of revenue foregone from September 1, 2004 to December 3, 2004- as per RP-2004-0201/EB-2004-0406	$	16,331.25
Use the Table below to enter the 1999 data for your LDC from your approved 2001 RUD Model.	$	84,016.94

1999 Distribution Revenue Shares will be used to allocate the Board-Approved MARR Value to rate classes.
You may adjust the rate classes if your LDC has non-standard classes.

1999 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	1999 Distribution Shares	Allocation of Board-Approved MARR Value
Residential Class		19,316,140	1,828	$228,471	56.58%	$47,535
General Service < 50 KW Class		10,343,285	329	$102,992	25.50%	$21,428
General Service > 50 KW Non-Time of Use	34,691		21	$62,489	15.47%	$13,001
General Service > 50 KW Time of Use					0.00%	$0
General Service Intermediate-Scattered Load	168,504	168,504	19	$4,412	1.09%	$918
Large Class User					0.00%	$0
Sentinel Lights	81		16	$603	0.15%	$125
Street Lighting	1,057		579	$4,852	1.20%	$1,009
TOTALS	**204,333**	**29,827,929**	**2,792**	**$403,819**	**100.00%**	**$84,017**
				Grossed-up MARR Value ==========>		**$67,686**
Recovery of revenue foregone from September 1, 2004 to December 3, 2004- as per RP-2004-0201/EB-2004-0406				Difference		**$16,331**

Note: LDCs must enter the fixed-variable split used on Sheet 13 (Sensitivity Analysis 2) of their 2001 Approved RUD Model.

Residential Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$47,535
(B) Fixed-Variable Split (%)	52.4%	47.6%	100%
(C) Re-Allocated MARR ($)	$24,908	$22,627	$47,535
(D) Number of kWh	19,316,140		
(E) Number of Customers		1,828	
(F) Incremental Distribution kWh Rate ($/kWh)	$0.0013		
(G) Incremental Monthly Service Charge (C)/(E)/12		$1.0315	

SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$21,428
(B) Fixed-Variable Split (%)	52.4%	47.6%	100%
(C) Re-Allocated MARR ($)	$11,228	$10,200	$21,428
(D) Number of kWh	10,343,285		
(E) Number of Customers		329	
(F) Incremental Distribution kWh Rate ($/kWh)	$0.0011		
(G) Incremental Monthly Service Charge (C)/(E)/12		$2.5835	

General Service > 50 kW Class (Non-Time of Use)

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$13,001
(B) Fixed-Variable Split (%)	52.4%	47.6%	100%
(C) Re-Allocated MARR ($)	$6,813	$6,189	$13,001
(D) Number of kW	34,691		
(E) Number of Customers		21	
(F) Incremental Distribution kWh Rate ($/kW)	$0.1964		
(G) Incremental Monthly Service Charge (C)/(E)/12		$24.5578	

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$0
(B) Fixed-Variable Split (%)			0%
(C) Re-Allocated MARR ($)	$0	$0	$0
(D) Number of kW	0		
(E) Number of Customers		0	
(F) Incremental Distribution kW Rate ($/kW)	$0.0000		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0000	

General Service Intermediate- Scattered Load

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$918
(B) Fixed-Variable Split (%)	60.0%	40.0%	100%
(C) Re-Allocated MARR ($)	$551	$367	$918
(D) Number of kW	168,504		
(E) Number of Customers		19	
(F) Incremental Distribution kW Rate ($/kW)	$0.0033		
(G) Incremental Monthly Service Charge (C)/(E)/12		$1.6104	

SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

Large User Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$0
(B) Fixed-Variable Split (%)			0%
(C) Re-Allocated MARR ($)	$0	$0	$0
(D) Number of kW	0		
(E) Number of Customers		0	
(F) Incremental Distribution kW Rate ($/kW)	$0.0000		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0000	

Sentinel Lighting Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$125
(B) Fixed-Variable Split (%)	52.4%	47.6%	100%
(C) Re-Allocated MARR ($)	$66	$60	$125
(D) Number of kW	81		
(E) Number of Customers		16	
(F) Incremental Distribution kW Rate ($/kW)	$0.8116		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.3110	

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$1,009
(B) Fixed-Variable Split (%)	52.4%	47.6%	100%
(C) Re-Allocated MARR ($)	$529	$481	$1,009
(D) Number of kW	1,057		
(E) Number of Customers		579	
(F) Incremental Distribution kW Rate ($/kW)	$0.5004		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0692	

SHEET 3 - 2005 Base Rates (2002 Base Rates + Final MARR)

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.1**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878 Extension: 262**	
Date:		

Residential Class

DISTRIBUTION KWH RATE	$0.0103
MONTHLY SERVICE CHARGE (Per Customer)	$8.27

Residential Class (Time-of-Use)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

General Service < 50 KW

DISTRIBUTION KWH RATE	$0.0087
MONTHLY SERVICE CHARGE (Per Customer)	$20.71

General Service > 50 KW (Non-Time of Use)

DISTRIBUTION KW RATE	$1.5749
MONTHLY SERVICE CHARGE (Per Customer)	$196.93

General Service > 50 KW (Time of Use)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

Intermediate Use-Scattered Load

DISTRIBUTION KW RATE	$0.0261
MONTHLY SERVICE CHARGE (Per Customer)	$12.86

SHEET 3 - 2005 Base Rates (2002 Base Rates + Final MARR)

Large Use

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

Sentinel Lights (Non-Time of Use)

DISTRIBUTION KW RATE	$6.5084
MONTHLY SERVICE CHARGE (Per Connection)	$2.50

OR

Sentinel Lights (Time of Use)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

Street Lighting (Non-Time of Use)

DISTRIBUTION KW RATE	$4.0147
MONTHLY SERVICE CHARGE (Per Connection)	$0.55

OR

Street Lighting (Time of Use)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.1**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878** **Extension: 262**	
Date:		

This schedule requires LDCs to input the 2003 data which will be used to allocate 2005 PILs to the rate classes.
The 2005 PILs Proxy is calculated in the 2005 PILs model, TAXCALC Worksheet, Cell C95

Enter the 2005 PILs Proxy Amount $ 42,932.00

Distribution Revenue is used to allocate the 2005 PILs Proxy Amount to the rate classes.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 Distribution Shares	2005 PILs Proxy Allocation
Residential Class		20,499,777	1,955	$333,852	56.3%	$24,162
General Service < 50 KW Class		9,818,881	313	$134,930	22.7%	$9,765
General Service > 50 KW Non-Time of Use	43,082	19,048,704	31	$110,663	18.7%	$8,009
General Service > 50 KW Time of Use					0.0%	$0
General Service Intermediate-Scattered Load	171,184	171,184	19	$6,144	1.0%	$445
Large Class User					0.0%	$0
Sentinel Lights	19	16,740	19	$411	0.1%	$30
Street Lighting	1,175	449,348	617	$7,192	1.2%	$521
TOTALS		**50,004,634**	**2,954**	**$593,192**	**1.00**	**$42,932**
			2005 PILs Proxy Amount ==========>			$42,932

2005 PILs Proxy amount will be recovered only in the distribution kWh charge (Variable Charge).

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$24,162
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$24,162	$0	$24,162
(D) Number of kWh	20,499,777		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0012		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$9,765
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$9,765	$0	$9,765
(D) Number of kWh	9,818,881		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0010		

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

General Service > 50 kW Class (Non-Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$8,009
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$8,009	$0	$8,009
(D) Number of kW	43,082		
(E) Incremental Distribution kW Rate ($/kW)	$0.1859		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Intermediate Class-Scattered Load

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$445
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$445	$0	$445
(D) Number of kW	171,184		
(E) Incremental Distribution kW Rate ($/kW)	$0.0026		

Large User Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Sentinel Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$30
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$30	$0	$30
(D) Number of kW	19		
(E) Incremental Distribution kW Rate ($/kW)	$1.5656		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$521
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$521	$0	$521
(D) Number of kW	1,175		
(E) Incremental Distribution kW Rate ($/kW)	$0.4430		

SHEET 5 - Rate Schedule including 2005 PILs

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.1**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878 Extension: 262**	
Date:		

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0115
MONTHLY SERVICE CHARGE (Per Customer)	$8.27

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0097
MONTHLY SERVICE CHARGE (Per Customer)	$20.71

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$1.7608
MONTHLY SERVICE CHARGE (Per Customer)	$196.93

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

INTERMEDIATE USE-Scattered Load

DISTRIBUTION KW RATE	$0.0287
MONTHLY SERVICE CHARGE (Per Customer)	$12.86

SHEET 5 - Rate Schedule including 2005 PILs

LARGE USE

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Customer)

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$8.0740
MONTHLY SERVICE CHARGE (Per Connection)	$2.50

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$4.4577
MONTHLY SERVICE CHARGE (Per Connection)	$0.55

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

SHEET 6 - December 31, 2003 Regulatory Assets

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.1**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878** **Extension: 262**	
Date:		

LDCs should enter their December 3, 2003 balances for each regulatory asset account. In the case of distributors that have approved Regulatory Asset recovery rate riders, the distributor should not enter any balances on Sheet 6 and should go directly to Sheet 10. In this instance, the rate schedule on Sheet 5 is identical to Sheet 9.

Description	Account Number	Amount Applied-for Balance as at Dec. 31, 2003
RSVA - Wholesale Market Service Charge	**1580**	$125,717
RSVA - One-time Wholesale Market Service	**1582**	$2,828
RSVA - Retail Transmission Network Charge	**1584**	$27,007
RSVA - Retail Transmission Connection Charge	**1586**	$78,303
RSVA - Power	**1588**	$122,955
Sub-Total for RSVA Accounts		$356,810
Current Recovery: Amount Entered on Sheet 3, cell G13, of 2004 RAM		$69,842
Adjusted 2005 Recovery Amount (RSVA Accounts)		**$286,968**
Other Regulatory Assets	**1508**	$2,910
Retail Cost Variance Account - Retail	**1518**	$9,006
Retail Cost Variance Account - STR	**1548**	$2,367
Misc. Deferred Debits - incl. Rebate Cheques	**1525**	$2,382
Deferred Payments in Lieu of Taxes	**1562**	$5,392
PILs Contra Account	**1563**	-$5,392
Qualifing Transition Costs	**1570**	$8,960
Pre-Market Opening Energy Variances Total	**1571**	$71,011
Extra-Ordinary Event Losses	**1572**	
Deferred Rate Impact Amounts	**1574**	
Other Deferred Credits	**2425**	
Sub-Total for Non-RSVA Regulatory Asset Accounts		$96,636
Current Recovery: Amount Entered on Sheet 5, cell G14, of 2004 RAM		$0
Adjusted 2005 Recovery Amount (Non-RSVA Accounts)		**$96,636**
Total Adjusted Regulatory Assets		$383,604
33% of Total Adjusted Regulatory Assets		**$127,867.84**

SHEET 6 - December 31, 2003 Regulatory Assets

---------- Please go to Section 1 ----------

Section 1: For LDCs with Total RSVA adjusted balances greater than 33 % of Total:		
Total Adjusted Balance for RSVA Accounts	**(a)**	$286,968
33% of Total Adjusted Regulatory Assets	**(b)**	$127,868
Remaining Final Amount to be recovered in future periods (a) - (b)		**$159,100**

Section 2: For LDCs with Total RSVA adjusted balances less than 33 % of Total:	
33% OF Total Adjusted Regulatory Assets	N/A
Total Adjusted Balance for RSVA Accounts	N/A
Amount to be colleced from RSVA Accounts	N/A
Amount to be collected from Non-RSVA accounts	N/A

Rate Implementation	**Check Box YES or NO**	
Our utility is able to pro-rate the bill so that consumption before April 1 is at the old rates and post April 1 consumption is billed at the new rates.	☑ YES	☐ NO
Our utility is not able to pro-rate consumption and therefore our customers will not be charged the new rates until the completion of an entire billing cycle.	☐ YES	☑ NO

SHEET 7 - Calculating Rate Increases due to interim RSVA Regulatory Assets

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.1**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878** **Extension: 262**	
Date:		

Approved Regulatory Asset Recovery from Sheet 4 ***(either from Section 1 or Section 2)*** **$ 127,867.84**

The share of class kWh sold in 2003 is used to allocate the approved interim RSVA Regulatory Asset amounts.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 kWh Shares	2003 RSVA Allocations
Residential Class	0	20,499,777	1,955	$333,852	41.0%	$52,420
General Service < 50 KW Class	0	9,818,881	313	$134,930	19.6%	$25,108
General Service > 50 KW Non-Time of Use	43,082	19,048,704	31	$110,663	38.1%	$48,710
General Service > 50 KW Time of Use	0	0	0	$0	0.0%	$0
Intermediate Use-Scattered Load	171,184	171,184	19	$6,144	0.3%	$438
Large Class User	0	0	0	$0	0.0%	$0
Sentinel Lights	19	16,740	19	$411	0.0%	$43
Street Lighting	1,175	449,348	617	$7,192	0.9%	$1,149
TOTALS		**50,004,634**	**2,954**	**$593,192.00**	**1.00**	**$127,868**
			Allocated Total for RSVA accounts ==========>			$127,868

Regulatory Assets will be recovered only in the distribution variable charge ($/kWh or $/kW).

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$52,420
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$52,420	$0	$52,420
(D) Number of kWh	20,499,777		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0026		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$25,108
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$25,108	$0	$25,108
(D) Number of kWh	9,818,881		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0026		

SHEET 7 - Calculating Rate Increases due to interim RSVA Regulatory Assets

General Service > 50 kW Class (Non-Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$48,710
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$48,710	$0	$48,710
(D) Number of kW	43,082		
(E) Incremental Distribution kW Rate ($/kW)	$1.1306		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Intermediate Class-Scattered Load

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$438
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$438	$0	$438
(D) Number of kW	171,184		
(E) Incremental Distribution kW Rate ($/kW)	$0.0026		

Large User Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

SHEET 7 - Calculating Rate Increases due to interim RSVA Regulatory Assets

Sentinel Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$43
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$43	$0	$43
(D) Number of kW	19		
(E) Incremental Distribution kW Rate ($/kW)	$2.2530		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$1,149
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$1,149	$0	$1,149
(D) Number of kW	1,175		
(E) Incremental Distribution kW Rate ($/kW)	$0.9779		

SHEET 8 - Calculating Rate Increases due to interim Non-RSVA Regulatory Assets

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.1**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878**	**Extension: 262**
Date:		

Approved Regulatory Asset Recovery from Non-RSVA Accounts *(Sheet 4, Section 2)* **$ -**

Distribution Revenue is used to allocate the approved final Regulatory Asset amounts related to the Non-RSVA accounts.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 Distribution Shares	2002 Regulatory Asset RSVA Allocations
Residential Class	0	20,499,777	1,955	$333,852	56.3%	$0
General Service < 50 KW Class	0	9,818,881	313	$134,930	22.7%	$0
General Service > 50 KW Non-Time of Use	43,082	19,048,704	31	$110,663	18.7%	$0
General Service > 50 KW Time of Use	0	0	0	$0	0.0%	$0
Intermediate Use-Scattered Load	171,184	171,184	19	$6,144	1.0%	$0
Large Class User	0	0	0	$0	0.0%	$0
Sentinel Lights	19	16,740	19	$411	0.1%	$0
Street Lighting	1,175	449,348	617	$7,192	1.2%	$0
TOTALS		**50,004,634**	**2,954**	**$593,192**	**1.00**	**$0**
			Allocated Total for Non-RSVA accounts ==========>			$0

Regulatory Assets will be recovered only in the distribution variable charge ($/kWh or $/kW).

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kWh	20,499,777		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0000		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kWh	9,818,881		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0000		

SHEET 8 - Calculating Rate Increases due to interim Non-RSVA Regulatory Assets

General Service > 50 kW Class (Non-Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	43,082		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Intermediate Class-Scattered Load

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	171,184		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Large User Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

SHEET 8 - Calculating Rate Increases due to interim Non-RSVA Regulatory Assets

Sentinel Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	19		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	1,175		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Assets

Name of Utility:	**Scugog Hydro Energy Corporation**
License Number:	**ED-2002-0570**
Name of Contact:	**Susan Reffle**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**
Phone Number:	**905 668-5878 Extension: 262**
Date:	

2005.V1.1
RP-2005-0013
EB-2005-0072

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0140
MONTHLY SERVICE CHARGE (Per Customer)	$8.27

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0122
MONTHLY SERVICE CHARGE (Per Customer)	$20.71

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.8914
MONTHLY SERVICE CHARGE (Per Customer)	$196.93

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

INTERMEDIATE USE-Scattered Load

DISTRIBUTION KW RATE	$0.0312
MONTHLY SERVICE CHARGE (Per Customer)	$12.86

SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Assets

LARGE USE

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Customer)

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$10.3269
MONTHLY SERVICE CHARGE (Per Connection)	$2.50

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.4356
MONTHLY SERVICE CHARGE (Per Connection)	$0.55

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

SHEET 10 - Phase 2 Final Rate Riders

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.1**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878** **Extension: 262**	
Date:		

This sheet is to be used by those distributors that have final approval of their Regulatory Asset Recovery - Phase 2 rate riders.

Class	Rate Rider per kWh (or kW)
Residential Class	
General Service < 50 KW Class	
General Service > 50 KW Non-Time of Use	
General Service > 50 KW Time of Use	
Intermediate Use	
Large Class User	
Sentinel Lights	
Street Lighting	

Scugog Hydro Energy Corporation
RP-2005-0013 EB-2005-0072
Schedule of Changed Distribution Rates and Charges
Effective April 1, 2005 until April 30, 2006

LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.

RESIDENTIAL

Monthly Service Charge	(per month)	$8.27
Distribution Volumetric Rate	(per kWh)	$0.0140

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kWh)	

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$20.71
Distribution Volumetric Rate	(per kWh)	$0.0122

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$196.93
Distribution Volumetric Rate	(per kW)	$2.8914

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

INTERMEDIATE USE-Scattered Load

Monthly Service Charge	(per month)	$12.86
Distribution Volumetric Rate	(per kW)	$0.0312

LARGE USE

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$2.50
Distribution Volumetric Rate	(per kW)	$10.3269

Scugog Hydro Energy Corporation
RP-2005-0013 EB-2005-0072
Schedule of Changed Distribution Rates and Charges
Effective April 1, 2005 until April 30, 2006

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.55
Distribution Volumetric Rate	(per kW)	$5.4356

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

SHEET 12 - Current Rates as of September 1, 2004

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.1**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878 Extension: 262**	
Date:		

In order to calculate bill impacts on Sheet 13, enter your current rates as approved in your 2004 Rate Order.
You may adjust the rate classes if your LDC has non-standard classes.

RESIDENTIAL

Distribution kWh Rate	$0.0118
Monthly Service Charge (Per Customer)	$7.24

RESIDENTIAL (TIME OF USE)

Distribution kWh Rate	
Monthly Service Charge (Per Customer)	

GENERAL SERVICE < 50 KW

Distribution kWh Rate	$0.0101
Monthly Service Charge (Per Customer)	$18.13

GENERAL SERVICE > 50 KW (NON TIME OF USE)

Distribution KW Rate	$2.2421
Monthly Service Charge (Per Customer)	$172.37

GENERAL SERVICE > 50 KW (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

General Service Intermediate Use- Scattered Load

Distribution KW Rate	$0.0265
Monthly Service Charge (Per Customer)	$11.25

SHEET 12 - Current Rates as of September 1, 2004

LARGE USE

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

SENTINEL LIGHTS (NON TIME OF USE)

Distribution KW Rate	$7.4699
Monthly Service Charge (Per Customer)	$2.19

OR

SENTINEL LIGHTS (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

STREET LIGHTING (NON TIME OF USE)

Distribution KW Rate	$4.5066
Monthly Service Charge (Per Customer)	$0.48

OR

STREET LIGHTING (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

Name of Utility:	**Scugog Hydro Energy Corporation**	**2005.V1.0**
License Number:	**ED-2002-0570**	**RP-2005-0013**
Name of Contact:	**Susan Reffle**	**EB-2005-0072**
E- Mail Address:	**sreffle@whitbyhydro.on.ca**	
Phone Number:	**905 668-5878** **Extension: 262**	
Date:		

Monthly Consumption

RESIDENTIAL CLASS

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility. In addition, consumption has not been adjusted for line losses.*

	CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
100	Monthly Service Charge	N/A	N/A	**$ 7.24**	Monthly Service Charge	N/A	N/A	**$ 8.27**		
	Distribution (kWh)	100	**$ 0.0118**	$ 1.18	Distribution (kWh)	100	**$ 0.0140**	$ 1.40		
			Sub-Total	**$ 8.42**			**Sub Total**	**$ 9.67**	**$ 1.25**	**14.89%**
	Other Charges (kWh)	100	$ 0.0239	$ 2.39	Other Charges (kWh)	100	$ 0.0239	$ 2.39		
	Cost of Power (kWh)	100	$ 0.0470	$ 4.70	Cost of Power (kWh)	100	$ 0.0470	$ 4.70		
	Current 2004 Bill			**$ 15.51**	**Adjusted 2005 Bill**			**$ 16.76**	**$ 1.25**	**8.09%**
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
250	Monthly Service Charge	N/A	N/A	**$ 7.24**	Monthly Service Charge	N/A	N/A	**$ 8.27**		
	Distribution (kWh)	250	**$0.0118**	$ 2.95	Distribution (kWh)	250	**$ 0.0140**	$ 3.51		
			Sub-Total	**$ 10.19**			**Sub Total**	**$ 11.78**	**$ 1.59**	**15.58%**
	Other Charges (kWh)	250	$ 0.0239	$ 5.98	Other Charges (kWh)	250	$ 0.0239	$ 5.98		
	Cost of Power (kWh)	250	$ 0.0470	$ 11.75	Cost of Power (kWh)	250	$ 0.0470	$ 11.75		
	Current 2004 Bill			**$ 27.92**	**Adjusted 2005 Bill**			**$ 29.50**	**$ 1.59**	**5.69%**
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
500	Monthly Service Charge	N/A	N/A	**$ 7.24**	Monthly Service Charge	N/A	N/A	**$ 8.27**		
	Distribution (kWh)	500	**$0.0118**	$ 5.90	Distribution (kWh)	500	**$ 0.0140**	$ 7.01		
			Sub-Total	**$ 13.14**			**Sub Total**	**$ 15.28**	**$ 2.14**	**16.32%**
	Other Charges (kWh)	500	$ 0.0239	$ 11.95	Other Charges (kWh)	500	$ 0.0239	$ 11.95		
	Cost of Power (kWh)	500	$ 0.0470	$ 23.50	Cost of Power (kWh)	500	$ 0.0470	$ 23.50		
	Current 2004 Bill			**$ 48.59**	**Adjusted 2005 Bill**			**$ 50.73**	**$ 2.14**	**4.41%**

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
750	Monthly Service Charge	N/A	N/A	$ 7.24	Monthly Service Charge	N/A	N/A	$ 8.27		
	Distribution (kWh)	750	$0.0118	$ 8.85	Distribution (kWh)	750	0.0140	$ 10.52		
			Sub-Total	$ 16.09			Sub Total	$ 18.79	$ 2.70	16.78%
	Other Charges (kWh)	750	0.0239	$ 17.93	Other Charges (kWh)	750	0.0239	$ 17.93		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Current 2004 Bill			$ 69.27	Adjusted 2005 Bill			$ 71.97	$ 2.70	3.90%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,000	Monthly Service Charge	N/A	N/A	$ 7.24	Monthly Service Charge	N/A	N/A	$ 8.27		
	Distribution (kWh)	1000	$0.0118	$ 11.80	Distribution (kWh)	1000	0.0140	$ 14.03		
			Sub-Total	$ 19.04			Sub Total	$ 22.30	$ 3.26	17.10%
	Other Charges (kWh)	1000	0.0239	$ 23.90	Other Charges (kWh)	1000	0.0239	$ 23.90		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	250	0.0550	$ 13.75	Cost of Power (kWh)	250	0.0550	$ 13.75		
	Current 2004 Bill			$ 91.94	Adjusted 2005 Bill			$ 95.20	$ 3.26	3.54%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,500	Monthly Service Charge	N/A	N/A	$ 7.24	Monthly Service Charge	N/A	N/A	$ 8.27		
	Distribution (kWh)	1500	$0.0118	$ 17.70	Distribution (kWh)	1500	0.0140	$ 21.04		
			Sub-Total	$ 24.94			Sub Total	$ 29.31	$ 4.37	17.52%
	Other Charges (kWh)	1500	0.0239	$ 35.85	Other Charges (kWh)	1500	0.0239	$ 35.85		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	750	0.0550	$ 41.25	Cost of Power (kWh)	750	0.0550	$ 41.25		
	Current 2004 Bill			$ 137.29	Adjusted 2005 Bill			$ 141.66	$ 4.37	3.18%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
2,000	Monthly Service Charge	N/A	N/A	$ 7.24	Monthly Service Charge	N/A	N/A	$ 8.27		
	Distribution (kWh)	2000	$0.0118	$ 23.60	Distribution (kWh)	2000	0.0140	$ 28.05		
			Sub-Total	$ 30.84			Sub Total	$ 36.32	$ 5.48	17.78%
	Other Charges (kWh)	2000	0.0239	$ 47.80	Other Charges (kWh)	2000	0.0239	$ 47.80		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	0.0550	$ 68.75	Cost of Power (kWh)	1,250	0.0550	$ 68.75		
	Current 2004 Bill			$ 182.64	Adjusted 2005 Bill			$ 188.12	$ 5.48	3.00%

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

GENERAL SERVICE < 50 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

	CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
1,000										
	Monthly Service Charge	N/A	N/A	**$ 18.13**	Monthly Service Charge	N/A	N/A	**$ 20.71**		
	Distribution (kWh)	1000	**$ 0.0101**	$ 10.10	Distribution (kWh)	1000	**$ 0.0122**	$ 12.24		
			Sub-Total	**$ 28.23**			**Sub Total**	**$ 32.95**	**$ 4.72**	**16.72%**
	Other Charges (kWh)	1000	$ 0.0229	$ 22.90	Other Charges (kWh)	1000	$ 0.0229	$ 22.90		
	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00		
	Current 2004 Bill			**$ 98.13**	**Adjusted 2005 Bill**			**$ 102.85**	**$ 4.72**	**4.81%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
2,000										
	Monthly Service Charge	N/A	N/A	**$ 18.13**	Monthly Service Charge	N/A	N/A	**$ 20.71**		
	Distribution (kWh)	2000	**$0.0101**	$ 20.20	Distribution (kWh)	2000	**$0.0122**	$ 24.47		
			Sub-Total	**$ 38.33**			**Sub Total**	**$ 45.19**	**$ 6.86**	**17.89%**
	Other Charges (kWh)	2000	$0.0229	$ 45.80	Other Charges (kWh)	2,000	$0.0229	$ 45.80		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	$0.0550	$ 68.75	Cost of Power (kWh)	1,250	$0.0550	$ 68.75		
	Current 2004 Bill			**$ 188.13**	**Adjusted 2005 Bill**			**$ 194.99**	**$ 6.86**	**3.65%**

ENTER DESIRED CONSUMPTION LEVEL (kWh)		**kWh**	**RATE $/kWh**	**CHARGE ($)**		**kWh**	**RATE $/kWh**	**CHARGE ($)**	**IMPACT ($)**	**IMPACT (%)**
5,000										
	Monthly Service Charge	N/A	N/A	**$ 18.13**	Monthly Service Charge	N/A	N/A	**$ 20.71**		
	Distribution (kWh)	5000	**$0.0101**	$ 50.50	Distribution (kWh)	5000	**$0.0122**	$ 61.19		
			Sub-Total	**$ 68.63**			**Sub Total**	**$ 81.90**	**$ 13.27**	**19.34%**
	Other Charges (kWh)	5000	$0.0229	$ 114.50	Other Charges (kWh)	5,000	$0.0229	$ 114.50		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	4,250	$0.0550	$ 233.75	Cost of Power (kWh)	4,250	$0.0550	$ 233.75		
	Current 2004 Bill			**$ 452.13**	**Adjusted 2005 Bill**			**$ 465.40**	**$ 13.27**	**2.93%**

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
10,000	Monthly Service Charge	N/A	N/A	$ 18.13	Monthly Service Charge	N/A	N/A	$ 20.71		
	Distribution (kWh)	10000	$0.0101	$ 101.00	Distribution (kWh)	10000	$0.0122	$ 122.37		
			Sub-Total	$ 119.13			Sub Total	$ 143.09	$ 23.96	20.11%
	Other Charges (kWh)	10000	$0.0229	$ 229.00	Other Charges (kWh)	10,000	$0.0229	$ 229.00		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	9,250	$0.0550	$ 508.75	Cost of Power (kWh)	9,250	$0.0550	$ 508.75		
	Current 2004 Bill			$ 892.13	Adjusted 2005 Bill			$ 916.09	$ 23.96	2.69%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
15,000	Monthly Service Charge	N/A	N/A	$ 18.13	Monthly Service Charge	N/A	N/A	$ 20.71		
	Distribution (kWh)	15000	$0.0101	$ 151.50	Distribution (kWh)	15000	$0.0122	$ 183.56		
			Sub-Total	$ 169.63			Sub Total	$ 204.27	$ 34.64	20.42%
	Other Charges (kWh)	15000	$0.0229	$ 343.50	Other Charges (kWh)	15,000	$0.0229	$ 343.50		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	14,250	$0.0550	$ 783.75	Cost of Power (kWh)	14,250	$0.0550	$ 783.75		
	Current 2004 Bill			$ 1,332.13	Adjusted 2005 Bill			$ 1,366.77	$ 34.64	2.60%

GENERAL SERVICE > 50 KW to 3000 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.*
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

		CURRENT 2004 BILL				FUTURE 2005 BILL				
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
60	Monthly Service Charge	N/A	N/A	$ 172.37	Monthly Service Charge	N/A	N/A	$ 196.93		
kWh	Distribution (kW)	60	$2.2421	$ 134.53	Distribution (kW)	60	$2.8914	$ 173.48		
15,000			Sub-Total	$ 306.90			Sub Total	$ 370.41	$ 63.52	20.70%
	Other Charges (kW)	60	$3.9100	$ 234.60	Other Charges (kW)	60.00	$3.9100	$ 234.60		
	Other Charges (kWh)	15,000	$0.0132	$ 198.00	Other Charges (kWh)	15,000	$0.0132	$ 198.00		
	Cost of Power (kWh)	15000	$0.0550	$ 825.00	Cost of Power (kWh)	15,000	$0.0550	$ 825.00		
	Current 2004 Bill			$ 1,564.50	Adjusted 2005 Bill			$ 1,628.01	$ 63.52	4.06%

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
100	Monthly Service Charge	N/A	N/A	$ 172.37	Monthly Service Charge	N/A	N/A	$ 196.93		
kWh	Distribution (kW)	100	$2.2421	$ 224.21	Distribution (kW)	100	$2.8914	$ 289.14		
40,000			Sub-Total	$ 396.58			Sub Total	$ 486.07	$ 89.49	22.57%
	Other Charges (kW)	100	$3.9100	$ 391.00	Other Charges (kW)	100.00	$3.9100	$ 391.00		
	Other Charges (kWh)	40,000	$0.0132	$ 528.00	Other Charges (kWh)	40,000	$0.0132	$ 528.00		
	Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00	Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00		
	Current 2004 Bill			$ 3,515.58	Adjusted 2005 Bill			$ 3,605.07	$ 89.49	2.55%

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
500	Monthly Service Charge	N/A	N/A	$ 172.37	Monthly Service Charge	N/A	N/A	$ 196.93		
kWh	Distribution (kW)	500	$2.2421	$ 1,121.05	Distribution (kW)	500	$2.8914	$ 1,445.71		
100,000			Sub-Total	$ 1,293.42			Sub Total	$ 1,642.64	$ 349.22	27.00%
	Other Charges (kW)	500	$3.9100	$ 1,955.00	Other Charges (kW)	500.00	$3.9100	$ 1,955.00		
	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00		
	Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00	Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00		
	Current 2004 Bill			$ 10,068.42	Adjusted 2005 Bill			$ 10,417.64	$ 349.22	3.47%

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
1,000	Monthly Service Charge	N/A	N/A	$ 172.37	Monthly Service Charge	N/A	N/A	$ 196.93		
kWh	Distribution (kW)	1,000	$2.2421	$ 2,242.10	Distribution (kW)	1000	2.8914	$ 2,891.42		
400,000			Sub-Total	$ 2,414.47			Sub Total	$ 3,088.34	$ 673.87	27.91%
	Other Charges (kW)	1,000	3.9100	$ 3,910.00	Other Charges (kW)	1,000.00	3.9100	$ 3,910.00		
	Other Charges (kWh)	400,000	0.0132	$ 5,280.00	Other Charges (kWh)	400,000	0.0132	$ 5,280.00		
	Cost of Power (kWh)	400,000	0.0550	$ 22,000.00	Cost of Power (kWh)	400,000	0.0550	$ 22,000.00		
	Current 2004 Bill			$ 33,604.47	Adjusted 2005 Bill			$ 34,278.34	$ 673.87	2.01%

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

ENTER DESIRED CONSUMPTION LEVEL		CURRENT 2004 BILL				FUTURE 2005 BILL					
		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	
kW											
3,000	Monthly Service Charge	N/A	N/A	$ 172.37	Monthly Service Charge	N/A	N/A	$ 196.93			
kWh	Distribution (kW)	3,000	$2.2421	$ 6,726.30	Distribution (kW)	3000	2.8914	$ 8,674.25			
1,000,000			Sub-Total	$ 6,898.67			Sub Total	$ 8,871.18	$ 1,972.51	28.59%	
	Other Charges (kW)	3,000	3.9100	$ 11,730.00	Other Charges (kW)	3,000.00	3.9100	$ 11,730.00			
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00			
	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00			
	Current 2004 Bill			$ 86,828.67	Adjusted 2005 Bill			$ 88,801.18	$ 1,972.51	2.27%	

UNMETERED SCATTERED LOAD

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.*
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

ENTER DESIRED CONSUMPTION LEVEL		CURRENT 2004 BILL				FUTURE 2005 BILL					
		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	
kW											
0	Monthly Service Charge	N/A	N/A	$ 11.25	Monthly Service Charge	N/A	N/A	$ 12.86			
kWh	Distribution (kWh)	100	$0.0265	$ 2.65	Distribution (kW)	100	$0.0312	$ 3.12			
100			Sub-Total	$ 13.90			Sub Total	$ 15.98	$ 2.08	14.98%	
	Other Charges (kW)	0	4.2138	$ -	Other Charges (kWh)	0.00	4.2138	$ -			
	Other Charges (kWh)	100	0.0229	$ 2.29	Other Charges (kWh)	100	0.0229	$ 2.29			
	Cost of Power (kWh)	100	0.0470	$ 4.70	Cost of Power (kWh)	100	0.0470	$ 4.70			
	Current 2004 Bill			$ 20.89	Adjusted 2005 Bill			$ 22.97	$ 2.08	9.970%	

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	
kW											
0	Monthly Service Charge	N/A	N/A	$ 11.25	Monthly Service Charge	N/A	N/A	$ 12.86			
kWh	Distribution (kWh)	750	$0.0265	$ 19.88	Distribution (kW)	750	$0.03	$ 23.42			
750			Sub-Total	$ 31.13			Sub Total	$ 36.28	$ 5.15	16.56%	
	Other Charges (kW)	0	4.2138	$ -	Other Charges (kWh)	0.00	4.2138	$ -			
	Other Charges (kWh)	750	0.0229	$ 17.18	Other Charges (kWh)	750	0.0229	$ 17.18			
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25			
	Current 2004 Bill			$ 83.55	Adjusted 2005 Bill			$ 88.70	$ 5.15	6.167%	

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)	
kW											
0	Monthly Service Charge	N/A	N/A	$ 11.25	Monthly Service Charge	N/A	N/A	$ 12.86			
kWh	Distribution (kWh)	1,500	$0.0265	$ 39.75	Distribution (kW)	1500	$0.03	$ 46.83			
1,500			Sub-Total	$ 51.00			Sub Total	$ 59.70	$ 8.70	17.05%	
	Other Charges (kW)	0	4.2138	$ -	Other Charges (kWh)	0.00	4.2138	$ -			
	Other Charges (kWh)	1,500	0.0229	$ 34.35	Other Charges (kWh)	1,500	0.0229	$ 34.35			
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25			
	Cost of Power (kWh)	750	0.0550	$ 41.25	Cost of Power (kWh)	750	0.0550	$ 41.25			
	Current 2004 Bill			$ 120.60	Adjusted 2005 Bill			$ 129.30	$ 8.70	7.21%	

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
0	Monthly Service Charge	N/A	N/A	$ 11.25	Monthly Service Charge	N/A	N/A	$ 12.86		
kWh	Distribution (kWh)	2,000	$0.0265	$ 53.00	Distribution (kW)	2000	$0.0312	$ 62.45		
2,000			Sub-Total	$ 64.25			Sub Total	$ 75.31	$ 11.06	17.21%
	Other Charges (kW)	0	4.2138	$ -	Other Charges (kWh)	0.00	4.2138	$ -		
	Other Charges (kWh)	2,000	0.0229	$ 45.80	Other Charges (kWh)	2,000	0.0229	$ 45.80		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	0.0550	$ 68.75	Cost of Power (kWh)	1,250	0.0550	$ 68.75		
	Current 2004 Bill			$ 145.30	Adjusted 2005 Bill			$ 156.36	$ 11.06	7.610%

LARGE USE CLASS (> 5000 KW)

For the purpose of this estimate, Other Charges include Retail Transmission Rate of $0.047369/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

	CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
6,000	Monthly Service Charge	N/A	N/A	$ -	Monthly Service Charge	N/A	N/A			
kWh	Distribution (kW)	6,000	$0.0000	$ -	Distribution (kW)	6000		$ -		
2,800,000			Sub-Total	$ -			Sub Total	$ -	$ -	#DIV/0!
	Other Charges (kW)	6,000	0.0474	$ 284.21	Other Charges (kWh)	6,000.00	0.0474	$ 284.21		
	Other Charges (kWh)	2,800,000	0.0132	$ 36,960.00	Other Charges (kWh)	2,800,000	0.0132	$ 36,960.00		
	Cost of Power (kWh)	2,800,000	0.0550	$ 154,000.00	Cost of Power (kWh)	2,800,000	0.0550	$ 154,000.00		
	Current 2004 Bill			$ 191,244.21	Adjusted 2005 Bill			$ 191,244.21	$ -	0.00%

ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
15,000	Monthly Service Charge	N/A	N/A	$ -	Monthly Service Charge	N/A	N/A			
kWh	Distribution (kW)	15,000	$0.0000	$ -	Distribution (kW)	15000		$ -		
10,000,000			Sub-Total	$ -			Sub Total	$ -	$ -	#DIV/0!
	Other Charges (kW)	15,000	0.0474	$ 710.54	Other Charges (kWh)	15,000.00	0.0474	$ 710.54		
	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00		
	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00		
	Current 2004 Bill			$ 682,710.54	Adjusted 2005 Bill			$ 682,710.54	$ -	0.00%

Appendix 4 of 6

Notices of Assessment

Ontario

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

Keep this portion for your records.

Notice of Assessment

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

from 2002/01/01 **to** 2002/12/31

Account No.	Assessment Date (year, month, day)	Page
1800289	2003/07/23	1 of 1

SCUGOG HYDRO ENERGY CORPORATION

ASSESSMENT NO. 2

Tax: Federal and Provincial PIL	0.00
Total Assessment Liability	0.00

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Sub-Total	0.00
TAXATION YEAR BALANCE	0.00

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

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

002 PX5003

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

CORPORATION NOTICE OF ASSESSMENT

Sudbury ON P3A 5C1

0002535

Date of mailing July 28, 2003
Business Number 87051 7182 RC0001
Taxation year-end December 31, 2002

SCUGOG HYDRO ENERGY
CORPORATION
100 TAUNTON ROAD EAST
WHITBY ON L1N 5R8

RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment :	**$**	**0.00**
Prior balance:	**$**	**0.00**
Total balance:	**$**	**0.00**

Please refer to the Summary and Explanation for additional information.

CORPORATION NOTICE OF ASSESSMENT

SCUGOG HYDRO ENERGY CORPORATION

Date of mailing	July 28, 2003
Business Number	87051 7182 RC0001
Taxation year-end	December 31, 2002

SUMMARY OF ASSESSMENT

	$ Reported	$ Assessed
Federal Tax:		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIV	0.00	0.00
Total Federal Tax:		**$ 0.00**
Net balance:		**$ 0.00**
Result of this assessment:		**$ 0.00**
Prior balance:		**$ 0.00**
Total balance:		**$ 0.00**

Alan Nymark
Commissioner of Customs and Revenue

EXPLANATION

If necessary, we have adjusted subsequent taxation years for carry-forward balances, interest, and balance due date.

Please visit our Web site at www.ccra-adrc.gc.ca.

Did you know that electronic filing for corporation income tax returns is available? Please visit our Web site at http://www.ccra-adrc.gc.ca/t2return/ or call us for more information.

If you require further information, contact:

Sudbury Tax Centre
1050 Notre Dame Ave
Sudbury ON P3A 5C1
Phone (705) 670-5310
Fax (705) 671-0490
Toll-Free Long Distance Number 1-800-998-7739
We accept collect calls.

Toronto East Tax Services Office
200 Town Centre Court Room 410
Scarborough ON M1P 4Y3
Toll-Free Long Distance Number 1-800-959-5525

GENERAL INFORMATION

Any reference to the term "reporting period" on this notice has the same meaning as the term "taxation year." Both terms describe the period assessed. The term "taxation year" is defined in the *Income Tax Act.*

We calculate interest at rates prescribed by regulations.

HELP FOR PEOPLE WHO ARE DEAF

If you are deaf and have access to a Telephone Device for the Deaf (TDD), you can call toll-free for explanations and information about the corporation's tax return. This bilingual service is available year-round from Monday to Friday (except for statutory holidays). You can phone 1-800-665-0354 between 8:15 a.m. and 5:00 p.m. Eastern Time. When calling, please take into account any time zone differences.

FILING AN OBJECTION

If you do not agree with this assessment, you can file an objection. You can do this by sending either a letter or Form T400A, *Objection*, to the Chief of Appeals at your tax services office or tax centre.

You have to file an objection within 90 days of the day we mailed the *Notice of Assessment*.

For a large corporation (as defined in subsection 225.1(8) of the *Income Tax Act*), the notice of objection shall:

- reasonably describe each issue;
- specify the relief you are seeking, expressed as an amount of a change in balance (as defined in subsection 152(4.4) of the *Income Tax Act*) or a balance of undeducted outlays, expenses, or other amounts of the corporation; and
- provide facts and reasons the corporation relied on for each issue.

DETERMINING THE CORPORATION'S LOSSES

If you do not agree with the amount of loss ascertained, you can write to your tax services office requesting a determination of the loss. However, we will only issue a *Notice of Determination/Redetermination of a Loss* if the loss reported is revised at the initial assessing stage or as a result of a reassessment arising from an audit or other investigative action by the Department.

NORMAL REASSESSMENT PERIOD

This may be the only notice the corporation will receive for this taxation year. However, we may reassess a T2 return if an error is brought to our attention or if we find an error during our post-assessing reviews. Generally, we will only reassess a T2 return within the "normal reassessment period." The normal reassessment period begins on the date of mailing the original *Notice of Assessment* or notification that no tax is payable. The period ends:

- three years from this date if the corporation is a Canadian-controlled private corporation; and
- four years from this date for all other corporations.

EXTENSIONS TO THE NORMAL REASSESSMENT PERIOD

We may also reassess a T2 return for a particular taxation year:

1. within one year after all rights of objection and appeal have expired for a preceding taxation year if:
   - the result of an assessment or a decision on an appeal will change the balance (as defined in subsection 152(4.4) of the *Income Tax Act*) of the preceding taxation year, and
   - the reassessment to the particular year is related to the balance adjusted in the preceding year.
2. within three years after the end of the normal reassessment period if:
   - you are carrying back a loss or credit from a later taxation year;
   - a non-arm's length transaction between the corporation and a non-resident affects the corporation's tax;
   - the corporation paid an amount or received a refund of foreign income or profits tax;
   - another taxpayer's reassessment for any of the above reasons affects the corporation's tax; or
   - another taxation year's reassessment (has to be a prior taxation year if the reassessment relates to a loss or credit carry-back) for any of the above reasons affects the corporation's tax.

Ontario

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

Keep this portion for your records.

Statement of Account

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

for transactions up to and including 2004/01/09

	Account No.	Statement Date (year, month, day)	Page
SCUGOG HYDRO ENERGY CORPORATION	**1800289**	2004/01/09	1 of 1

TRANSACTIONS BY ASSESSED TAXATION YEAR

EFFECTIVE DATE	ID NUMBER	DESCRIPTION	AMOUNT	BALANCE
2003/01/14		OPENING BALANCE FOR: 2002/12/31	**0.00**	
2003/07/23	2	return assessment	**0.00**	**0.00**
BALANCE				**0.00**

TRANSACTIONS BY UNASSESSED TAXATION YEAR

2003/01/14	OPENING BALANCE FOR: 2003/12/31	**0.00**	
BALANCE			**0.00**
	OPENING BALANCE FOR: 2004/12/31	**0.00**	
BALANCE			**0.00**

A balance of tax payment is required 2 or 3 months after the taxation period end. The return is due 6 months after the taxation period.

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

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

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0000053

Detach and return this REMITTANCE FORM with your payment.

Ontario

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

Remittance Advice - Payment-in-Lieu (PIL)

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

Account No.
1800289

35
PX5003

SCUGOG HYDRO ENERGY CORPORATION
RAMONA ABI-RASHED, VP/FIN/REG
100 TAUNTON RD E
PO BOX 59
WHITBY ON
L1R 5R8

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2003 1231

Payment Amount: $

Total Payment Enclosed: $

Ontario

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

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2003/01/01 **to** 2003/12/31

	Account No.	Assessment Date (year, month, day)	Page
SCUGOG HYDRO ENERGY CORPORATION	**1800289**	2004/08/17	1 of 1

ASSESSMENT NO. 3

Tax: Federal and Provincial PIL	0.00
Total Assessment Liability	0.00

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Sub-Total	0.00
TAXATION YEAR BALANCE	0.00

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

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

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Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

CORPORATION NOTICE OF ASSESSMENT

0001172

Sudbury ON P3A 5C1

Date of mailing	March 16, 2006
Business Number	87051 7182 RC0001
Taxation year-end	August 8, 2005

VERIDIAN CONNECTIONS INC
55 TAUNTON ROAD EAST
AJAX ON L1T 3V3

Re: The Income of SCUGOG HYDRO ENERGY CORPORATION

RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment :	$	0.00
Prior balance:	$	0.00
Total balance:	$	0.00

Please refer to the Summary and Explanation for additional information.

RECEIVED
MAR 22 2006

CORPORATION NOTICE OF ASSESSMENT

VERIDIAN CONNECTIONS INC

Date of mailing	March 16, 2006
Business Number	87051 7182 RC0001
Taxation year-end	August 8, 2005

SUMMARY OF ASSESSMENT

	$ Reported	$ Assessed
Federal Tax:		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00
Total Federal Tax:		$ 0.00
Net balance:		$ 0.00
Result of this assessment:		$ 0.00
Prior balance:		$ 0.00
Total balance:		$ 0.00

Michel Dorais
Commissioner of Customs and Revenue

EXPLANATION

We have revised the amount of Part I.3 tax to NIL, because the corporation is exempt on all its taxable income under section 149 of the "Income Tax Act."

You are required to keep adequate records, including those produced electronically, either in French or in English within Canada. These records must provide sufficient details to determine tax obligations and entitlements and must be maintained at your place of business for a period of six years unless you obtain permission to dispose of them. If you have any questions concerning record keeping practices, please contact the nearest CRA tax services office.

Please visit our Web site at www.cra.gc.ca/requests-business for information about online requests available to business clients. This service allows clients to electronically request certain financial actions, additional remittance vouchers and other communication products, as well as reproductions of previously issued correspondence.

Did you know you may be eligible to file your return using our Corporation Internet Filing service. For information on eligibility criteria and the service in general, please visit www.cra.gc.ca/corporation-internet.

Any reference to the term "reporting period" on this notice has the same meaning as the term "taxation year." Both terms describe the period assessed. The term "taxation year" is defined in the *Income Tax Act.*

We calculate interest at rates prescribed by regulations.

HELP FOR PEOPLE WHO ARE DEAF

If you are deaf and have access to a Telephone Device for the Deaf (TDD), you can call toll-free for explanations and information about the corporation's tax return. This bilingual service is available year-round from Monday to Friday (except for statutory holidays). You can phone 1-800-665-0354 between 8:15 a.m. and 5:00 p.m. Eastern Time. When calling, please take into account any time zone differences.

FILING AN OBJECTION

If you do not agree with this assessment, you can file an objection. You can do this by sending either a letter or Form T400A, *Objection*, to the Chief of Appeals at your tax services office or tax centre.

You have to file an objection within 90 days of the day we mailed the *Notice of Assessment*.

For a large corporation (as defined in subsection 225.1(8) of the *Income Tax Act*), the notice of objection shall:

- reasonably describe each issue;
- specify the relief you are seeking, expressed as an amount of a change in balance (as defined in subsection 152(4.4) of the *Income Tax Act*) or a balance of undeducted outlays, expenses, or other amounts of the corporation; and
- provide facts and reasons the corporation relied on for each issue.

DETERMINING THE CORPORATION'S LOSSES

If you do not agree with the amount of loss ascertained, you can write to your tax services office requesting a determination of the loss. However, we will only issue a *Notice of Determination/Redetermination of a Loss* if the loss reported is revised at the initial assessing stage or as a result of a reassessment arising from an audit or other investigative action by the Department.

NORMAL REASSESSMENT PERIOD

This may be the only notice the corporation will receive for this taxation year. However, we may reassess a T2 return if an error is brought to our attention or if we find an error during our post-assessing reviews. Generally, we will only reassess a T2 return within the "normal reassessment period." The normal reassessment period begins on the date of mailing the original *Notice of Assessment* or notification that no tax is payable. The period ends:

- three years from this date if the corporation is a Canadian-controlled private corporation; and
- four years from this date for all other corporations.

EXTENSIONS TO THE NORMAL REASSESSMENT PERIOD

We may also reassess a T2 return for a particular taxation year:

1. within one year after all rights of objection and appeal have expired for a preceding taxation year if:
   - the result of an assessment or a decision on an appeal will change the balance (as defined in subsection 152(4.4) of the *Income Tax Act*) of the preceding taxation year, and
   - the reassessment to the particular year is related to the balance adjusted in the preceding year.
2. within three years after the end of the normal reassessment period if:
   - you are carrying back a loss or credit from a later taxation year;
   - a non-arm's length transaction between the corporation and a non-resident affects the corporation's tax;
   - the corporation paid an amount or received a refund of foreign income or profits tax;
   - another taxpayer's reassessment for any of the above reasons affects the corporation's tax; or
   - another taxation year's reassessment (has to be a prior taxation year if the reassessment relates to a loss or credit carry-back) for any of the above reasons affects the corporation's tax.

ach and return this REMITTANCE FORM with your payment.

Ontario

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

Account No.
1800289

35
PX5003

SCUGOG HYDRO ENERGY CORPORATION
C/O DAVID CLARK
55 TAUNTON RD E

AJAX ON
L1T 3V3

Remittance Advice - Payment-in-Lieu (PIL)

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

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 5 0 8 0 8

Payment Amount: $

Total Payment Enclosed: $

Ontario

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

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2005/07/01 **to** 2005/08/08

	Account No.	Assessment Date (year, month, day)	Page
SCUGOG HYDRO ENERGY CORPORATION	**1800289**	2006/03/14	1 of 1

ASSESSMENT NO. 6

Tax: Federal and Provincial PIL	1,088.00
Assessment Interest	28.84
Total Assessment Liability	1,116.84

SUMMARY OF 2005/08/08 TAXATION YEAR TRANSACTIONS

Sub-Total	0.00
TAXATION YEAR BALANCE DUE **	1,116.84

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

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0219178%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

Appendix 5 of 6

Tax Returns

Deloitte & Touche LLP
5140 Yonge Street, Suite 1700
Toronto, ON M2N 6L7
Canada

Tel: (416) 601 6150
Fax: (416) 229 2524
www.deloitte.ca

Deloitte & Touche

December 24, 2002

Ms. Audrey Wise
Corporations Tax Branch
33 King Street West, 4th Floor
Oshawa, ON L1H 8E9

Dear Ms. Wise:

Scugog Hydro Energy Corporation (MOF A/C # 1800289)

On behalf of our above named client, we are requesting that the December 31, 2001 PILs tax returns be amended to revise the amount of CCA claimed to reflect the fair market value of assets at October 1, 2001 and as a result of the election under subsection 7(7) of Ontario Regulation 162/01 to have subsection 7(6) apply. These amendments have increased the non-capital loss carry forward to $145,634.

The adjustments requested are as follows:

Non-capital loss as previously filed		$135,371
CCA claimed as originally filed	$17,958	
Revised CCA claimed	$28,221	
Increase in CCA claimed		$ 10,263
Revised non-capital loss carry forward		$145,634

We include amended Federal and Ontario schedules 001, 004, 008 and an amended CT-23 reflecting these changes.

We would appreciate if you would make the above adjustments and issue a Notice of Reassessment.

If you have any questions in regards to the above, please do not hesitate to contact the undersigned at (416) 643-8982.

Yours very truly,

Jay Pon
Firm Director

Enclosures

c: Ms. Ramona Abi-Rashed Scugog Hydro Energy Corporation ✓

Scugog Hydro Energy Corporation

ELECTION UNDER SUBSECTION 7(7) OF ONTARIO REGULATION 162/01 MADE UNDER THE ELECTRICITY ACT, 1998

The company hereby elects to have subsection 7(6) of Regulation 162/01, as amended by Regulation 172/02, apply with respect to the property transferred to Scugog Hydro Energy Corporation under a transfer by-law from The Town of Scugog.

_____

SCUGOG HYDRO ENERGY CORPORATION | Sch. 001
Account/Business No.: 870517182RC0001 Year Ended: 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this shcedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements				-144,302 A
Additions:				
Amortization of tangible assets	104	26,889		
Subtotal of additions		26,889	26,889	
Other Additions:				
Miscellaneous Other Additions:				
600 ADDBACK RE S. 12 (1)(x)	290	85,229		
Subtotal of Other Additions	199	85,229	85,229	
Total Additions	500	112,118	112,118	
Deductions:				
Capital cost allowance from Schedule 8	403	28,221		
Subtotal of Deductions		28,221	28,221	
Other Deductions:				
Miscellaneous Other Deductions:				
700 DEDUCT RE: ELECTION UNDER S. 13(7.4)	390	85,229		
Subtotal of Other Deductions	499	85,229	85,229	
Total Deductions	510	113,450	113,450	
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)				-145,634

T2 SCH 1 E (01) (Ce formulaire existe en français.)

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION (2000 and later taxation years)

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

Part 1 - Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-145,634
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	0	0
Subtotal (if positive, enter "0")		-145,634
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions		0
Subtotal		-145,634
Add: (decrease a loss)		
Current-year farm loss		0
Current-year non-capital loss (if positive, enter "0")		-145,634

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		0	
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of taxation year	102	0	
Add: Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	145,634	145,634

Continuity of non-capital losses and request for a carryback (cont'd)

Deduct:

Amount applied against taxable income (enter on line 331 of the T2 return)	130	0	
Amount applied against taxable dividends subject to Part IV tax	135	0	
Section 80 - Adjustments for forgiven amounts	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate		0	
Other adjustments	150	0	0
		Subtotal	145,634

Deduct - Request to carry back non-capital loss to:

First preceding taxation year to reduce taxable income	901	0	
Second preceding taxation year to reduce taxable income	902	0	
Third preceding taxation year to reduce taxable income	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913	0	0
Non-capital losses - Closing balance	180		145,634

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 Yes [ ]

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0	
Current-year capital loss (from Schedule 6 calculation)	210	0	0
Add:			
Allowable business investment loss expired as non-capital loss 0x 4/3	220		0
		Subtotal	0

Deduct:

Amount applied against current-year capital gain (see note 1)	225	0	
Section 80 - Adjustments for forgiven amounts	240	0	
Other adjustments	250	0	0
		Subtotal	0

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year	0	951	0	
Second preceding taxation year	0	952	0	
Third preceding taxation year	0	953	0	0
Capital losses - Closing balance		280		0

Part 2 - Capital losses

Continuity of capital losses and request for a carryback (cont'd)

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.
Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine by dividing the total taxable capital gain by the total capital gain.

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 3 - Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year		0	
Deduct: Farm loss expired after 10 taxation years	300	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0
		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0
Farm losses - Closing balance	380		0

Restricted Farm Loss Determination:
Is the corporation exempt from the restricted farm loss rules?
(A reply of "NO" triggers the restricted farm loss rules.) [Y/N] [Y]

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485		0	A
Minus the deductible farm loss:				
$2,500 plus B or C, whichever is less			2,500	
(Amount A above 0 - $2,500) divided by 2 =		0 B		
		6,250 C	0	2,500
Current-year restricted farm loss (enter this amount on line 410)				0

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0	
Deduct: Restricted farm loss expired after 10 taxation years	400	0	
Restricted farm losses at beginning of taxation year	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0
		Subtotal	0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0
Restricted farm losses - Closing balance	480		0

Note

The total losses for the year from all farming businesses are computed without including any scientific research expenses.

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			0
Deduct: Listed personal property loss expired after seven taxation years	500		0
Listed personal property losses at beginning of taxation year	502		0
Add: Current-year listed personal property loss (from Schedule 6)	510		0
		Subtotal	0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0
		Subtotal	0
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance	580		0

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	0	821,628	-85,229	0	79,146	4	0	0	7,055	729,344
8	0	117,331	0	0	1,747	20	0	0	5,827	111,504
12	0	12,500	0	0	6,250	100	0	0	1,575	10,925
2	0	910,100	0	0	0	6	0	0	13,764	896,336
Total	0	1,861,559	-85,229	0	87,143		0	0	28,221	1,748,109

Ontario

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

2001 CT23 Corporations Tax and Annual Return

For taxation years commencing after May 4, 1999

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(fomerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return, together with the applicable schedules. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

The **Annual Return** (common page 1 and MCBS Schedules A or K) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Refer to Guide)* Yes [X] No [ ]

Corporation's Legal Name *(including punctuation)* and Mailing Address

SCUGOG HYDRO ENERGY CORPORATION

PLEASE RETAIN FOR YOUR RECORDS

100 TAUNTON RD. EAST
P.O. BOX 59
WHITBY
ON CA L1N-5R8

Ontario Corporations Tax Account No. (MOF): 1800289

This CT23 Return covers the Taxation Year
Start: year month day 2001-10-01
End: year month day 2001-12-31

Has address changed since last filed CT23 Return? Yes [ ] Date of Change: year month day

Date of Incorporation or Amalgamation: year month day 1999-11-01

Registered/Head Office Address

100 TAUNTON RD. EAST
P.O. BOX 59
WHITBY
ON CA L1N-5R8

Ontario Corporation No. (MCBS):

Location of Books and Records

SAME AS ABOVE

CA

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter: 870517182RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
RAMONA ABI-RASHED		

Jurisdiction Incorporated: ONTARIO

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

ON CA -

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced: year month day 2000-10-31
Ceased: year month day
(Not Applicable) [ ]

Former Corporation Name *(Extra-Provincial Corporations only)* ***(Not Applicable)*** [X] (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS). [X] No change

Preferred Language/*Langue de préférence*: English *anglais* [X] French *français* [ ]

Ministry use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

RAMONA ABI-RASHED

Title: D [ ] Director O [X] Officer P [ ] Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2001-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1
- 1 [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent): 100%

2
- 1 [ ] Family Farm Corporation s.1 (2)
- 2 [ ] Family Fishing Corporation s.1 (2)
- 3 [ ] Mortgage Investment Corporation s.47
- 4 [ ] Credit Union s.51
- 5 [ ] Bank Mortgage Subsidiary s.61 (4)
- 6 [ ] Bank s.1 (2)
- 7 [ ] Loan and Trust Corporation s.61 (4)
- 8 [ ] Non-resident Corporation s.2(2)(a) or (b)
- 9 [ ] Non-resident Corporation s.2(2)(c)
- 10 [ ] Mutual Fund Corporation s.48
- 11 [ ] Non-resident owned investment Corporation s.49
- 12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 [ ] Bare Trustee Corporation
- 15 [ ] Branch of Non-residents s.63(1)
- 16 [ ] Financial institution prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either
- 20 [ ] Producer and seller of steam for uses other than for the generation of electricity
- 21 [ ] Insurance Exchange s.74.4

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity

Please "X" box(es) if applicable:

- [ ] First Year of Filing
- [ ] Amended Return
- [ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required
- [ ] Final Taxation Year up to Dissolution (wind-up)
- [ ] Final Taxation Year before Amalgamation
- [ ] Floating Fiscal Year End
- [ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- [ ] Acquisition of Control fed s.249(4)

Date Control was acquired (year month day)

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[ ]	[X]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Inter. Bulletin 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 16)	±	From 690	-135,371.		
Subtract: Charitable donations	–		1	0.	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule)*	–		2	0.	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–		3	0.	
Subtract: Ontario political contributions *(Attach schedule)*	–		4	0.	
Subtract: Federal Part VI.1 tax 0. X 9/4	–		5	0.	
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	0.		
Net capital losses From 715 (page 17) 0. X inclusion rate 50.0000%	–		714	0.	
Farm losses	–	From 724	0.		
Restricted farm losses	–	From 734	0.		
Limited partnership losses	–	From 754	0.		
Taxable Income (Non-capital loss)	=		10	-135,371.	
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.		
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	0.		

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	0.	x 30 Ontario Allocation	100.0000%	x	15.5000%	x	Days before May 2, 2000 22: 0	÷	Total Days 73: 92	= +	23	0.
From 10 (or 20 if applicable)	0.	x 30 Ontario Allocation	100.0000%	x	14.5000%	x	Days after May 1, 2000 and before Jan 1, 2001 24: 0	÷	Total Days 73: 92	= +	25	0.
From 10 (or 20 if applicable)	0.	x 30 Ontario Allocation	100.0000%	x	14.0000%	x	Days after Dec 31, 2000 and before Oct 1, 2001 26: 0	÷	Total Days 73: 92	= +	27	0.
From 10 (or 20 if applicable)	0.	x 30 Ontario Allocation	100.0000%	x	12.5000%	x	Days after Sept 30, 2001 and before Jan 1, 2003 28: 92	÷	Total Days 73: 92	= +	29	0.

Income Tax Payable (before deduction of tax credits) 23 + 25 + 27 + 29 = 40 **0.**

Note: *The rate change effective October 1, 2001 has not yet received legislative authority at the time of printing.*

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [ ] Yes [X] No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))			50	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	0.		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	0.		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53	0.		
	=	0.	54	0.
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding $ 200,000) *(Attach federal T2 SCH 23 if associated)*	+ 55	50,411.		

Add: Ontario enhancement of federal business limit

Number of Days in Taxation Year

40,000 x	Days after Dec 31, 2000 and before Oct 1, 2001 557: 0	÷	Total Days 73: 92					
X From 55	50,411	÷	200,000	=+	42	0.		
80,000 x	Days after Sept 30, 2001 and before Jan 1, 2003 69: 92	÷	Total Days 73: 92					
X From 55	50,411	÷	200,000	=+	43	20,164.		
Ontario enhancement of federal business limit	42 + 43	=		20,164.	+ 44	20,164.		
Business Limit for Ontario purposes	55 + 44	=		70,575.	45	70,575.		
Income eligible for the IDSBC	From 30	100.0000% * Ontario Allocation	x 56	0.	= 60	0.	Least of 50, 54 or 45	

* Note: *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

	7.00 %	x	Days after Dec 31, 1998 and before Jan 1, 2000	74	0	÷ 73	Total Days 92	= +	75	.0000.
	7.50 %	x	Days after Dec 31, 1999 and before Oct 1, 2001	76	0	÷ 73	Total Days 92	= +	77	.0000.
	6.50 %	x	Days after Sept 30, 2001 and before Jan 1, 2003	69	92	÷ 73	Total Days 92	= +	79	6.5000.

IDSBC Rate for Taxation Year 75 + 77 + 79 ..... = 78 6.5000.

Claim ..... From 60 0. x From 78 6.5000 % ..... = 70 0.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in 114 below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** **Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** **Taxable Income of the corporation** ..... From 10 (or 20 if applicable) + 80 0.

If you are a member of an associated group (X) 81 ( ) (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
			+ 82 0.
			+ 83 .
			+ 84 .

Aggregate Taxable Income 80 + 82 + 83 + 84 , etc. ..... = 85 0.

Number of Days in Taxation Year

Subtract: 200,000	x	Days before Jan 1, 2001	558	0	÷ 73	Total Days 92	= +	111	0.	
240,000	x	Days after Dec 31, 2000 and before Oct 1, 2001	557	0	÷ 73	Total Days 92	= +	112	0.	
280,000	x	Days after Sept 30, 2001 and before Jan 1, 2003	556	92	÷ 73	Total Days 92	= +	113	280,000.	

111 + 112 + 113 = 280,000. ..... - 114 280,000.

(If negative, enter nil) ..... = 86 0.

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax	4.67 %	x	Days after Dec 31, 1998 and before Jan 1, 2000	74	0	÷ 73	Total Days 92	= +	92	.0000
	5.00 %	x	Days after Dec. 31, 1999 and before Oct 1, 2001	76	0	÷ 73	Total Days 92	= +	93	.0000
	4.3330 %	x	Days after Sept 30, 2001 and before Jan 1, 2003	69	92	÷ 73	Total Days 92	= +	95	4.3330

Specified rate of surtax for Taxation Year 92 + 93 + 95 ..... = 94 4.3330

From 86 0. x From 94 4.3330 % ..... = 87 0.

From 87 0. x From 60 0. ÷ From 114 280,000. = 88 0.

Surtax Lesser of 70 or 88 ..... = 100 0

Continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits ..... + 120 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 0.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 0. + From 30 .0000 % * Ontario Allocation ÷ From 78 6.5000 % = 121 0.

Lesser of 56 or 121 ..... + 122 0.

120 – 56 + 122 ..... = 130 0.

Taxable Income ..... + From 10 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 0.

Add: Adjustments for Surtax on Canadian-controlled private corporations ..... + From 122 0.

Subtract: Taxable Income From 10 0. X Allocation % to jurisdictions outside Canada .0000 % .... – 140 0.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses ..... – 141 0.

10 – 56 + 122 – 140 – 141 ..... = 142 0.

Claim

Number of Days in Taxation Year

143 0. X From 30 .0000 % * Ontario Allocation X 2.0000 % X (Days before Oct 1, 2001: 0 ÷ 73 Total Days: 92) = + 0.

Lesser of 130 or 142

143 0. X From 30 .0000 % * Ontario Allocation X 1.5000 % X 69 (Days after Sept 30, 2001 and before Jan 1, 2003: 0 ÷ 73 Total Days: 92) = + 0.

Lesser of 130 or 142

= 160 0.

* Note: *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations ..... = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Note: *The M&P for corporations that generate electrical energy for sale, or produce steam for use in the generation of electrical energy for sale, or produce steam for sale for uses other than the generation of electricity, has not yet received legislative authority at the time of printing. (Refer to Guide.)*

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) *(Attach schedule)*. 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 0.

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* . . . . . + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F . . . . . + 192 0.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 Claim Form Certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* . . . . . + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed graduate students. 194 0
Eligible Credit From 6598 Summary Schedule G . . . . . + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by first-time Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* . . . . . + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* . . . . . + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* . . . . . + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.
Eligible Credit From 7300 Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* . . . . . + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* . . . . . + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* . . . . . + 201 0.

Other (specify) _____ . . . . . + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** . . . . . = 225 0.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** . . . . . = 230 0.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 18.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets [249] exceeds $5,000,000 ***or*** Total Revenue [250] exceeds $10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s)/joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	+ [240]	3,029,192.
*** Total Revenue of the corporation**	+ [241]	64,470.

If you are a member of an associated group (x) [242] [ ] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total assets	* Total Revenue
		+ [243]	+ [244]	
		+ [245]	+ [246]	
		+ [247]	+ [248]	

Aggregate Total Assets [240] + [243] + [245] + [247] , etc.	= [249]	3,029,192.
Aggregate Total Revenue [241] + [244] + [246] + [248] , etc.	= [250]	64,470.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 19, 20 and 21 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 19.)*

Gross CMT Payable ..... CMT Base From [2135] 0. (If negative, enter zero) X From [30] 100.0000 % (Ontario Allocation) X 4% = [276] 0.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)* ..... – [277] 0.

Subtract: Income Tax ..... – From [190] 0.

Net CMT Payable (If negative, enter Nil on Page 18.) ..... = [280] 0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 18.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 18*** and transfer [280] to ***Page 18***, and to ***Schedule D: Continuity of CMT Credit Carryovers,*** on ***Page 21.***

CMT Credit Carryover available ..... From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) ..... + From [190] 0.

Gross CMT Payable ..... + From [276] 0.

Subtract: Foreign Tax Credit for CMT purposes ..... – From [277] 0.

If [276] – [277] is negative, enter NIL in [290] ..... = 0. – [290] 0.

Income Tax eligible for CMT Credit ..... = [300] 0.

B. Income tax (after deduction of specified credits) ..... + From [230] 0.

Subtract: CMT credit used to reduce income taxes ..... – [310] 0.

Income Tax ..... = [320] 0.

Transfer to page 18

If A & B apply, [310] ***cannot exceed the lesser of*** [230], [300] ***and your CMT credit carryover available*** [2307].

If only B applies, [310] ***cannot exceed the lesser of*** [230] ***and your CMT credit carryover available*** [2307].

Capital Tax *(Refer to Guide)*

If your corporation is a Financial Institution (s.58(2)), proceed to page 14.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on Page 13 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B.15-79, Int.B.L-12 and Int.B.L-16)

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a).

Paid-up Capital

Paid-up capital stock	+ 350	1,265,877.
Retained earnings (if deficit, deduct)	± 351	-250,484.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	+ 352	0.
Loans and advances *(Attach schedule)*	+ 353	1,411,949.
Bank loans	+ 354	0.
Bankers acceptances	+ 355	0.
Bonds and debentures payable	+ 356	0.
Mortgages payable	+ 357	0.
Lien notes payable	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax)	+ 359	0.
Contingent, investment, inventory and similar reserves	+ 360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)*	+ 361	8,931.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))*	+ 362	0.
Subtotal	= 370	2,436,273.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)*	− 371	0.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	− 372	0.
Total Paid-up Capital	= 380	2,436,273.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	− 381	0.
Net Paid-up Capital	= 390	2,436,273.

Eligible Investments *(Refer to Guide)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, term deposits, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to December 15, 1999 *(Refer to Guide)*	+ 400	0.
Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+ 404	0.
Loans and advances to unrelated corporations	+ 405	0.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+ 406	0.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+ 407	0.
Total Eligible Investments	= 410	0.

continued on Page 10

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289

Year Ended: 2001-12-31

Attached Sch.

UCC	1,569,893.00
NBV	-1,719,710.00
ADD: LAND	69,468.00
ADD: CAPITAL ASSETS CONTRIBUTED BY 3RD PARTIES	101,780.00
TRANSITION COSTS	-12,500.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	8,931.00

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289

Attached Sch.
Year Ended: 2001-12-31

LOANS AND ADVANCES

LONG TERM DEBT	1,265,877.00
A/P > 365 DAYS	43,526.33
	0.00
CONSUMER AND OTHER DEPOSITS	102,546.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	1,411,949.33

Capital Tax *continued from Page 9*

Total Assets

Total Assets per balance sheet	+	420	3,029,192.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	−	423	0.
Total Assets as adjusted	=	430	3,029,192.
Amounts in 360 and 361 (if deducted from assets)	+	440	8,931.
Subtract: Amounts in 371, 372 and 381	−	441	0.
Subtract: Appraisal surplus if booked	−	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	3,038,123.

Investment Allowance (410 ÷ 450) X 390 — Not to exceed 410	=	460	0.
Taxable Capital 390 − 460	=	470	2,436,273.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	16,250.
Total Assets (as adjusted) From	430	3,029,192.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2001) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union** that is not a Financial Institution, complete only Section A below.

OR **If the corporation is NOT a member of an associated group and/or partnership,** review only the capital tax calculations in Section B on pages 10 to 11 and select and complete the one specific subsection (e.g. B4) that applies to the corporation.

OR **If the corporation IS a member of an associated group and/or partnership,** complete Section C on page 12. Next review, and if applicable, complete Section D on page 12. If Section D is not applicable review Section E on page 13 and complete the applicable subsection: either E1 or E2. **Note:** if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year end is before January 1, 2001 and 430 and 480 are both $1,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B2. If the taxation year end is after December 31, 2000 and 430 and 480 are both $1,500,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B3. If taxable capital, 470 on page 10, is $2,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

continued on Page 11

Capital Tax Calculation *continued from page 10*

B4. If taxable capital, 470 on page 10, exceeds $2,000,000 but is $3,600,000 or less, complete the following calculations and transfer the total From 508 to 543 on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From 470 2,436,273. x .3000% = + 490 7,309.

Deduct:

From 470

$2,400,000 – 2,436,273. x 1.5% = – 492 0.

If 2,400,000 – 470 is negative, enter NIL in 492

(504 = 490 – 492) = 504 7,309. x From 30 Ontario Allocation 100.0000% x Days in taxation year after May 4, 1999 and before Jan 1, 2000 552 0 ** 365 (366 if leap year) = + 505 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From 470 2,436,273. x .3000% = + 490 7,309.

Deduct:

From 470

$2,800,000 – 2,436,273. x 0.75% = – 493 2,728.

If 2,800,000 – 470 is negative, enter NIL in 493

(506 = 490 – 493) = 506 4,581. x From 30 Ontario Allocation 100.0000% x Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553 0 ** 365 (366 if leap year) = + 507 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From 470 2,436,273. x .3000% = + 490 7,309.

Deduct:

From 470

$3,200,000 – 2,436,273. x 0.5% = – 495 3,819.

If 3,200,000 – 470 is negative, enter NIL in 495

(509 = 490 – 495) = 509 3,490. x From 30 Ontario Allocation 100.0000% x Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 554 0 ** 365 (366 if leap year) = + 522 0.

Total Capital Tax for the taxation year 505 + 507 + 522 ..... = 508 0.

Transfer to 543 on page 13 and complete the return from that point.

B5. If taxable capital, 470 on page 10, exceeds **$3,600,000,** complete the following calculation and transfer the amount From 502 to 543 on page 13 and complete the return from that point.

From 470 0. x From 30 Ontario Allocation 100.0000% x .3000% x Days in taxation year before Oct 1, 2001 555 0 ** 365 (366 if leap year) ..... = 502.1 0.

From 470 (0. – Exemption 0.) x From 30 Ontario Allocation 100.0000% x .3000% x Days in taxation year after Sept 30, 2001 92 ** 365 (366 if leap year) ..... = 502.2 0.

Note: *The $5 million deduction from Taxable Paid Up Capital has not yet received legislative authority at the time of printing.*

Total Capital Tax for the taxation year 502.1 + 502.2 ..... = 502 0.

*** If floating taxation year, refer to Guide.***

continued on Page 12

Capital Tax Calculation *continued from page 11*

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following, and (x) 510 ☐ (Yes)

Taxable Capital ..... + From 470 0.

Name of associated corporations or related partners (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End		Taxable Capital
			+ 511	0.
			+ 512	.
			+ 513	.

Aggregate Taxable Capital 470 + 511 + 512 + 513, etc. ..... = 520 0.

If 520 is greater than $2,000,000

If 520 is greater than $2,000,000 and the taxation year ends,

- prior to January 1, 2000 and 520 is less than $2,400,000;

OR
- after December 31, 1999 and before January 1, 2001 and 520 is less than $2,800,000;

OR
- after December 31, 2000 and before January 1, 2002 and 520 is less than $3,200,000;

OR
- after December 31, 2001 and before January 1, 2003 and 520 is less than $3,600,000;

the corporation must compute the following ratio before calculating its Capital Tax in Section E.

From 470 0. ÷ From 520 0. = 521 .0000

Note: 521 *cannot exceed 1.00000*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 on this page, is *$2,000,000 or less.*

Enter NIL in 550 on page 13 and complete the return from that point.

continued on Page 13

Capital Tax Calculation *continued from Page 12*

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 *on page 12, exceeds $2,000,000.*

E1. If aggregate taxable capital 520 exceeds **$2,000,000** but is **$3,600,000** or less, complete the following calculations and transfer the total From 508 to 543 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From 470 0. x .3000% = + 490 0.

Deduct:

[From 520 $2,400,000 – 0.] x 1.5% x [From 521 .0000] = – 492 0.

If 2,400,000 – 520 is negative, enter NIL in 492

Days in taxation year after May 4, 1999 and before Jan 1, 2000: From 30 552

(504 = 490 – 492) = 504 0. x 100.0000% (Ontario Allocation) x 0 ** 365 (366 if leap year) = + 505 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From 470 0. x .3000% = + 490 0.

Deduct:

[From 520 $2,800,000 – 0.] x 0.75% x [From 521 .0000] = – 493 0.

If 2,800,000 – 520 is negative, enter NIL in 493

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001: From 30 553

(506 = 490 – 493) = 506 0. x 100.0000% (Ontario Allocation) x 0 ** 365 (366 if leap year) = + 507 0.

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From 470 0. x .3000% = + 490 0.

Deduct:

[From 520 $3,200,000 – 0.] x 0.5% x [From 521 .0000] = – 495 0.

If 3,200,000 – 520 is negative, enter NIL in 495

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001: From 30 557

(509 = 490 – 495) = 509 0. x 100.0000% (Ontario Allocation) x 0 ** 365 (366 if leap year) = + 522 0.

Total Capital Tax for the taxation year 505 + 507 + 522 ..... = 508 0.

Transfer to 543 *and complete the return from that point.*

E2. If the aggregate taxable capital 520 on page 12, exceeds **$3,600,000** complete the following calculation and transfer the amount From 502 to 543 on this page, and complete the return from that point.

(a)
From 470 0. x From 30 100.0000% (Ontario Allocation) x .3000% x Days in taxation year before Oct 1, 2001: 555 0 ** 365 (366 if leap year) ..... = 502.1 0.

(b)
Exemption is the lesser of:

i) 5,000,000

Taxable Paid up Capital of all Corporations in Associated Group (if any) from 520 ..... + 2,436,273.

Minus portion attributable to corporations without a permanent establishment in Canada .. – 0.

ii) TPUC of all corporations post September 30, 2001 ..... = 2,436,273.

Lesser of i) and ii) ..... 2,436,273.

TPUC from 470 ..... x 2,436,273.

TPUC of all corporations post September 30, 2001 ..... ÷ 2,436,273.

Exemption for this corporation ..... = 2,436,273.

(From 470 0. – Exemption 0.) x From 30 100.0000% (Ontario Allocation) x .3000% x Days in taxation year after Sept 30, 2001: 92 ** 365 (366 if leap year) = 502.2 0.

Note: *The $5 million deduction from Taxable Paid Up Capital has not yet received legislative authority at the time of printing.*

Total Capital Tax for the taxation year 502.1 + 502.2 ..... = 502 0.

*** If floating taxation year, refer to Guide.***

Transfer to 543 *and complete the return from that point.*

Capital Tax *before application of specified credits* ..... = 543 0.

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* ..... – 546 0.

Capital Tax 543 – 546 ..... = 550 0.

Transfer to Page 18

continued on Page 14

Capital Tax *continued from page 13*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 13, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. (Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1) x 0.00% X From [30] ____% (Ontario Allocation) x [555] Days in taxation year 0 ÷ ** 0 (366 if leap year) = + [569] 0.

[570] 0. (Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount) x [571] 0.00% (Capital Tax Rate *(Refer to Guide)*) X From [30] ____% (Ontario Allocation) x [555] Days in taxation year 0 ÷ ** 0 (366 if leap year) = + [574] 0.

Capital Tax for Financial Institutions – other than Credit Unions (before Sections II) [569] + [574] = [575] 0.

**** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) [ ] Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.

Transfer to [543] on Page13

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – [589] 0.

Premium Tax [588] – [589] ..... = [590] 0.

Transfer to page 18

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ± 600 -135,371.

Transfer to page 16

Add:

Federal capital cost allowance	+ 601	17,958.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non allowable reserves. Balance beginning of year	+ 604	0.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	0.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

			Days before May 2, 2000		Total Days		
612	0. x 5 ÷ 15.5000	x	22 0	÷ 73	92	= + 630	0.
			Days after May 1, 2000 and before Jan 1, 2001		Total Days		
612	0. x 5 ÷ 14.5000	x	24 0	÷ 73	92	= + 631	0.
			Days after Dec 31, 2000 and before Oct 1, 2001		Total Days		
612	0. x 5 ÷ 14.0000	x	26 0	÷ 73	92	= + 632	0.
			Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
612	0. x 5 ÷ 12.5000	x	28 92	÷ 73	92	= + 633	0.

Total add-back amount for Management fees, etc. 630 + 631 + 632 + 633 = + 613 0.

Federal allowable business investment loss + 620 0.

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* + 614 0.

Subtotal of Additions 601 to 611 + 613 + 620 + 614 = 17,958. 640 17,958.

Transfer to page 16

continued on Page 16

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 15

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From ± 600 -135,371.

Subtotal of Additions ..... From = 640 17,958.

Deduct:

Ontario capital cost allowance	+ 650	17,958.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	0.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	0.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario research and development super allowance *(Attach schedule)*	+ 660	0.
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	+ 674	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.

Ontario New Technology Tax Incentive (ONTTI) Gross-up
Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

From 662 0. x (Gross-up of CCA 100 / From 30 .0000 Ontario Allocation) – From 662 0. = 663 0.

Workplace Child Care Tax Incentive: (***Applies*** to qualifying expenditures incurred after May 5, 1998.)

Qualifying expenditures: 665 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation) = 666 0.

Workplace Accessibility Tax Incentive: (***Applies*** to qualifying expenditures incurred after July 1, 1998.)

Qualifying expenditures: 667 0. x 100.00% x (100 / From 30 100.0000 Ontario Allocation) = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses made within the 3 year period commencing after May 4, 1999.) *(Refer to Guide)*

Qualifying expenditures: 670 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation) = 671 0.

Educational Technology Tax Incentive: (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: 672 0. x 15.00% x (100 / From 30 100.0000 Ontario Allocation) = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Subtotal of Deductions 650 to 660 + 674 + 661 + 663 + 666 + 668 + 671 + 673 + 678 + 664 = 17,958. 680 17,958.

Net income (loss) for Ontario Purposes 600 + 640 – 680 ..... = 690 -135,371.

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses	701 135,371	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 135,371	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 0	715 (4) 0	724 0	734 (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 18 0	716 (2) to Page 18 0	726 (2) to Page 18 0	736 (2) to Page 18 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 135,371	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustments required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 1993-09-30				850 0	870 0
801 1994-09-30				851 0	871 0
802 1995-09-30				852 0	872 0
803 1996-09-30	820 0	830 0	840 0	853 0	873 0
804 1997-09-30	821 0	831 0	841 0	854 0	874 0
805 1998-09-30	822 0	832 0	842 0	855 0	875 0
806 1999-09-30	823 0	833 0	843 0	856 0	876 0
807 2000-09-30	824 0	834 0	844 0	857 0	877 0
808 2001-09-30	825 0	835 0	845 0	858 0	878 0
809 2001-12-31	826 135,371	836 0	846 0	859 0	879 0
Total	829 135,371	839 0	849 0	869 0	889 0

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 135,371	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / **Taxation Year Ending** (year month day)				
i) 3rd preceding _____ 901	911 0	921 0	931 0	941 0
ii) 2nd preceding _____ 902	912 0	922 0	932 0	942 0
iii) 1st preceding _____ 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 135,371	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		0.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		0.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		0.
Subtract: Payments	– 960		0.
Capital Gains Refund (s.48)	– 965		0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	– 985		0.
Specified Tax Credits *(Refer to Guide)*	– 955		0.
Other (specify) _____	–		0.
Balance	= 970		0.
If payment due	Enclosed * 990		0.
If overpayment: Refund *(Refer to Guide)*	= 975		0.
Apply to (year month day)	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the MINISTER OF FINANCE*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order.

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

RAMONA ABI-RASHED

Title

VICE-PRESIDENT FINANCE

Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

UCC	1,569,893.00
NBV	-1,719,710.00
ADD: LAND	69,468.00
ADD: CAPITAL ASSETS CONTRIBUTED BY 3RD PARTIES	101,780.00
TRANSITION COSTS	-12,500.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	8,931.00

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289

Year Ended: 2001-12-31

Attached Sch.

LOANS AND ADVANCES

LONG TERM DEBT	1,265,877.00
A/P > 365 DAYS	43,526.33
	0.00
CONSUMER AND OTHER DEPOSITS	102,546.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	1,411,949.33

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289

Ont. Sch. 008
Year Ended: 2001-12-31

Summary of Capital Cost Allowance

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203] - [207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	0	13,985	0	0	6,992	4	0	0	71	13,914
1	0	1,206,707	-85,229	0	603,353	4	0	0	5,224	1,116,254
8	0	439,888	0	0	219,944	20	0	0	11,088	428,800
12	0	12,500	0	0	6,250	100	0	0	1,575	10,925
Total	0	1,673,080	-85,229	0	836,539		0	0	17,958	1,569,893

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289

ONT Auth. Let
Year Ended: 2001-12-31

CONSENT FORM FOR ONTARIO

This form authorizes the Minister of Ontario to release confidential client information to a designated third-party representative in matters pertaining to applicable legislation.

Note: This authorization is valid until the client or authorized signing person cancels it in writing. Please complete a separate form for each representative.

The purpose of this form is:

to authorize	[X]	a third party representative **or**
to cancel	[ ]	a third party representative

1. Client identification

Name and address of the corporation

SCUGOG HYDRO ENERGY CORPORATION
100 TAUNTON RD. EAST
P.O. BOX 59
WHITBY
ON
L1N-5R8

Corporation account number.....1800289

2. Authorized third party identification

Authorized individual or firm name

Deloitte & Touche LLP
Suite 1700, 5140 Yonge Street
Toronto, Ontario M2N 6L7
Telephone number: 416-601-6150

3. Details of authorization

Indicate period for which authorization or cancellation applies:

All taxation years	[X]			
or				
Specific year(s)	[ ]	[ ]	[ ]	
	[ ]	[ ]	[ ]	
or				
All years prior to	[ ]			

4. Authorized signature (client or authorized signing officer)

VICE-PRESIDENT FINANCE

Signature of client or authorized signing officer	Title	Telephone number	Date

We will not accept this form unless it is signed.

T2 CORPORATION INCOME TAX RETURN

200

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

055 Do not use this area

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2000 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and the *General Index of Financial Information* (GIFI) to your tax services office or to the tax centre that serves the corporation. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

Business Number (BN) 001 870517182RC0001

002 **Corporation's name**

SCUGOG HYDRO ENERGY CORPORATION

Has the corporation changed its name since the last time we were notified? ... 003 1 Yes ☐ 2 No ☒

If *yes*, do you have a copy of the articles of amendment? ..... 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? ..... 010 1 Yes ☐ 2 No ☒

011 100 TAUNTON RD. EAST

012 P.O. BOX 59

City	Province, territory, or state
015 WHITBY	016 ON
Country (other than Canada)	**Postal Code/ZIP code**
017	018 L1N-5R8

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes ☐ 2 No ☒

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

031 SAME AS ABOVE

032

City	Province, territory, or state
035	036
Country (other than Canada)	**Postal Code/ZIP code**
037	038

040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC)

2 ☐ Other private corporation

3 ☐ Public corporation

4 ☐ Corporation controlled by a public corporation

5 ☐ Other corporation (please specify, below)

If not private (3, 4 or 5), is the corporation subject to Part IV tax? Yes ☐ No ☐

If the type of corporation changed during the taxation year, please provide the effective date of the change ..... 043 _____ YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 2001-10-01	061 2001-12-31
YYYY/MM/DD	YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? ..... 063 1 Yes ☐ 2 No ☒

If *yes*, provide the date control was acquired ..... 065 _____ YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? ..... 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? ..... 070 1 Yes ☐ 2 No ☒

Amalgamation? ..... 071 1 Yes ☐ 2 No ☒

If *yes*, please provide Schedule 24

Has there been a windup of a subsidiary under section 88 during the current taxation year?

If *yes*, please provide Schedule 24 ..... 072 1 Yes ☐ 2 No ☒

Is this the final taxation year before amalgamation? ..... 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? ..... 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *no*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty?

If *yes*, please provide Schedule 91 ..... 082 1 Yes ☐ 2 No ☒

If the corporation is exempt from tax under section 149 tick one of the following boxes:

085
1 ☐ Exempt under 149(1)(e) or (l)
2 ☐ Exempt under 149(1)(j)
3 ☐ Exempt under 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules.
Schedules - Answer the following questions. For each *yes* response, attach to the T2 return the schedule that applies.

Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150		9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160		23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's-length transactions with non-residents	162		11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's-length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
53	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
76-79	Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural or ecological property?	202		2
80,102	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
67-74	Is the corporation claiming any type of losses?	204	X	4
128	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
54	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
100	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
55	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
56	Does the corporation have any property that is eligible capital property?	210		10
57	Does the corporation have any resource-related deductions?	212		12
58	Is the corporation claiming reserves of any kind?	213		13
59	Is the corporation claiming a patronage dividend deduction?	216		16
60	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
146	Is the corporation an investment corporation or a mutual fund corporation?	218		18
127	Was the corporation carrying on business in Canada while not a Canadian corporation?	220		20 *
115	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
151	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
108	Does the corporation have any Canadian manufacturing and processing profits?	227		27
118	Is the corporation claiming an investment tax credit?	231		31
61	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
121	Is the corporation subject to gross Part I.3 tax?	233		33/34/35
121	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236		36
121	Is the corporation claiming a surtax credit?	237		37
125	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
125	Is the corporation claiming a Part I tax credit?	242		42
126	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
126	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
122	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
125	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
125	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
125	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
148	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Corporation's name	Business Number	Taxation year-end
SCUGOG HYDRO ENERGY CORPORATION	870517182RC0001	2001-12-31

Attachments - continued from page 2

Guide item			Yes	Schedule
149	Is the corporation claiming a film or video production services tax credit refund?	254		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	255		T1134-A
44	Did the corporation have any controlled foreign affiliates?	256		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?	257		T1135
44	Did the corporation transfer or loan property to a non-resident trust?	258		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	259		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?			T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?			T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?			T1174
—	Is the corporation claiming the BC mining exploration tax credit?			421
—	Is the corporation claiming the BC SR&ED tax credit?			T666

Additional information

Is the corporation inactive? **280** 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter *yes* for first time filers) **281** 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? (Only complete if *yes* was entered at line 281.) **282**

If the major activity involves the resale of goods, indicate whether it is wholesale or retail **283** 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	ELECTRIC POWER DISTR	**285**	100 %
286		**287**	0 %
288		**289**	0 %

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI		300	-135,371	A
Deduct:	Charitable donations from Schedule 2	311	0	
	Gifts to Canada or a province from Schedule 2	312	0	
	Cultural gifts from Schedule 2	313	0	
	Ecological gifts from Schedule 2	314	0	
	Taxable dividends deductible under section 112, 113, or subsection 138(6) from Schedule 3	320	0	
	Part VI.1 tax deduction from Schedule 43	325	0	
	Non-capital losses of preceding taxation years from Schedule 4	331	0	
	Net-capital losses of preceding taxation years from Schedule 4	332	0	
	Restricted farm losses of preceding taxation years from Schedule 4	333	0	
	Farm losses of preceding taxation years from Schedule 4	334	0	
	Limited partnership losses of preceding taxation years from Schedule 4	335	0	
	Taxable capital gains or taxable dividends allocated from a central credit union	340	0	
	Prospector's and grubstaker's shares	350	0	
	Subtotal		0	0 B
	Subtotal (amount A minus amount B)			0 C
Add:	Section 110.5 additions	355		0 D
Taxable income (amount C plus amount D)		360		0
Income exempt under paragraph 149(1)(t)		370		0
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)				0 Z

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7	400	0	A
Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636, and **minus** any amount that, because of federal law is exempt from Part I tax	405	0	B
Business limit (for associated corporations, enter business limit from Schedule 23)	410	50,411	C

Reduction to business limit:

Amount C 50,411 x 415 ** 0 D / 11,250 = 0 E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	50,411	F
Small business deduction - 16.00% of the least of amounts A, B, C, and F (enter amount G on line 9 of page 7)	430	0	G

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604).

** **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)	50,411 x 3/2 =	75,617	A
Net active business income (amount from line 400) *		0	B
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636 on page 7	0 C		
Deduct: Aggregate investment income (amount from line 440 of page 6)	0 D		
Amount C minus amount D (if negative, enter "0")	0	0	E
The least of amounts A, B, or E above		0	F
Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	G
Amount QQ from Part 13 of Schedule 27	0 H		
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0	I
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	0 J		
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction	0 K		
Total of amounts G, H, I, J, and K	0	0	L
Amount F minus amount L (if negative, enter "0")		0	M

Amount M 0 x (Number of days in the taxation year after December 31, 2000 / Number of days in the taxation year) 92/92 = 0 N

Accelerated tax reduction - 7% of amount N (enter amount O on line 637 of page 7) 0 O

* Specified partnerships need to use Schedule 70 to calculate net active business income, if the amount at line 450 of Schedule 7 is positive.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 or amount Z of page 3				0 A
Amount Z from Part 9 of Schedule 27	0 x 100/7		0 B	
Amount QQ from Part 13 of Schedule 27			0 C	
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =		0 D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0 E	
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4			0 F	
Aggregate investment income form line 440 of page 6			0 G	
Amount used to calculate the accelerated tax reduction (amount M of page 4)			0 H	
Total of amounts B, C, D, E, F, G, and H			0	0 I
Amount A minus amount I (if negative, enter "0")				0 J

Amount J	0 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	92 / 92	x 1% =		0 K
Amount J	0 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 92	x 3% =		0 L
Amount J	0 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 92	x 5% =		0 M
Amount J	0 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 92	x 7% =		0 N

General tax reduction for Canadian-controlled private corporations - Total of amounts K, L, M and N (enter amount O on line 638 of page 7) ..... 0 O

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 or amount Z of page 3				0 A
Amount Z from Part 9 of Schedule 27	0 x 100/7		0 B	
Amount QQ from Part 13 of Schedule 27			0 C	
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =		0 D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0 E	
Total of amounts B, C, D, and E			0	0 F
Amount A minus amount F (if negative, enter "0")				0 G

Amount G	0 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	92 / 92	x 1% =		0 H
Amount G	0 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 92	x 3% =		0 I
Amount G	0 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 92	x 5% =		0 J
Amount G	0 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 92	x 7% =		0 K

General tax reduction - Total of amounts H, I, J and K (enter amount L on line 639 of page 7) ..... 0 L

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income .... 440 0 x 26 2/3% = ... 0 A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income ..... 445 0 x 9 1/3% = ... 0
(amount O from Part 1 of Schedule 7) (if negative, enter "0") 0 0 B

Amount A minus amount B (if negative, enter "0") ..... 0 C

Taxable income from line 360 on page 3 0

Deduct:

Least of amounts on lines 400, 405, 410, and 425 on page 4 ... 0

Foreign non-business income tax credit from line 632 of page 7 ..... 0 x 25/9 = 0

Foreign business income tax credit from line 636 of page 7 ..... 0 x 10/4 = 0
0 0
0 x 26 2/3% = 0 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 0
Deduct corporate surtax from line 600 of page 7 0
Net amount ..... 0 0 E

Refundable portion of Part I tax - The least of amounts C, D, and E ..... 450 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0
Deduct dividend refund for the previous taxation year 465 0
0 0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0
Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 0
0 0 B

Refundable dividend tax on hand at the end of the taxation year - Amount A plus amount B 485 0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 .... 0 x 1/3 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

Dividend refund - Lesser of amounts A and B (enter this amount on line 784 of page 8) 0

Corporation's name: SCUGOG HYDRO ENERGY CORPORATION

Business Number: 870517182RC0001

Taxation year-end: 2001-12-31

Part I tax

Base amount of Part I tax - 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 0 A

Corporate surtax calculation

Base amount from line A above	0	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	0	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b, and c below on line 6:

28.00 % of taxable Income from line 360 of page 3	0 a		
28.00 % of taxed capital gains	0 b	0	6
Part I tax otherwise payable (line A **plus** lines C and D **minus** line F)	0 c		
Total of lines 2 to 6		0	7
Net amount (line 1 minus line 7)		0	8

Corporate surtax - 4.00 % of the amount on line 8 ..... 600 0 B

Recapture of investment tax credit from line XX in Part 16 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	0		
Deduct:			
The least of amounts on lines 400, 405, 410, and 425 of page 4	0		
Net amount	0	0	ii

Refundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 0 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	0	
Manufacturing and processing profits deduction from amount BB or amount VV of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction - credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount O of page 4	637	0	
General tax reduction for CCPCs from amount O of page 5	638	0	
General tax reduction from amount L of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
Part VI tax credit from Schedule 42	656	0	
Part I.3 tax credit from Schedule 37	660	0	
	Subtotal	0	0 F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) ..... 0 G

Corporation's name	Business Number	Taxation year-end
SCUGOG HYDRO ENERGY CORPORATION	870517182RC0001	2001-12-31

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		0

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0	
		0	0
Total tax payable	770		0 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	0	
Federal capital gains refund from Schedule 18	788	0	
Federal qualifying environmental trust tax credit refund	792	0	
Canadian film or video production tax credit refund from Form T1131	796	0	
Film or video production services tax credit refund from Form T1177	797	0	
Tax withheld at source	800	0	
Total payments on which tax has been withheld 801 0			
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0	
Provincial and territorial capital gains refund from Schedule 18	808	0	
Provincial and territorial refundable tax credits from Schedule 5	812	0	
Royalties deductible under Syncrude Remission Order 815 0			
Tax remitted under Syncrude Remission Order	816	0	
Tax instalments paid	840	0	
Total credits	890	0	0 B

Refund code 894 0 Overpayment 0

Balance (line A minus line B) 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 _____ Branch number

914 _____ Institution number 918 _____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 ABI-RASHED Last name in block letters 951 RAMONA First name in block letters 954 VICE-PRESIDENT FINANCE Position, office or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 _____ Date (yyyy/mm/dd) _____ Signature of an authorized signing officer of the corporation 956 _____ Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below 957 1 Yes ☐ 2 No ☒

958 _____ Name in block letters 959 _____ Telephone number

Language of correspondence - Langue de correspondance

990 Please indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

SCUGOG HYDRO ENERGY CORPORATION | Sch. 001

Account/Business No.: 870517182RC0001 | Year Ended: 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this shcedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements					-144,302 A
Additions:					
Amortization of tangible assets		104	26,889		
Subtotal of additions			26,889	26,889	
Other Additions:					
Miscellaneous Other Additions:					
600	ADDBACK RE S. 12 (1)(x)	290	85,229		
601		291	0		
602		292	0		
603a	0				
603b	0				
	0	293	0		
604a	0				
604b	0				
	0	294	0		
Subtotal of Other Additions		199	85,229	85,229	
	Total Additions	500	112,118	112,118	
Deductions:					
Capital cost allowance from Schedule 8		403	17,958		
Subtotal of Deductions			17,958	17,958	
Other Deductions:					
Miscellaneous Other Deductions:					
700	DEDUCT RE: ELECTION UNDER S. 13(7.4)	390	85,229		
701		391	0		
702		392	0		
703		393	0		
704		394	0		
Subtotal of Other Deductions		499	85,229	85,229	
	Total Deductions	510	103,187	103,187	
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)					-135,371

T2 SCH 1 E (01) (Ce formulaire existe en français.)

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION
(2000 and later taxation years)

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

Part 1 - Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-135,371
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	0	0
Subtotal (if positive, enter "0")		-135,371
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions		0
Subtotal		-135,371
Add: (decrease a loss)		
Current-year farm loss		0
Current-year non-capital loss (if positive, enter "0")		-135,371

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		0	
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of taxation year	102	0	
Add: Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	135,371	135,371

Continuity of non-capital losses and request for a carryback (cont'd)

Deduct:

Amount applied against taxable income (enter on line 331 of the T2 return)	130	0	
Amount applied against taxable dividends subject to Part IV tax	135	0	
Section 80 - Adjustments for forgiven amounts	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate		0	
Other adjustments	150	0	0
		Subtotal	135,371

Deduct - Request to carry back non-capital loss to:

First preceding taxation year to reduce taxable income	901	0	
Second preceding taxation year to reduce taxable income	902	0	
Third preceding taxation year to reduce taxable income	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913	0	0
Non-capital losses - Closing balance	180		135,371

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 Yes [ ]

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0	
Current-year capital loss (from Schedule 6 calculation)	210	0	0

Add:

Allowable business investment loss expired as non-capital loss	0x 4/3	220	0
		Subtotal	0

Deduct:

Amount applied against current-year capital gain (see note 1)	225	0	
Section 80 - Adjustments for forgiven amounts	240	0	
Other adjustments	250	0	0
		Subtotal	0

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)	Inclusion Rate		Amount carried back (100%)	
First preceding taxation year	0	0.00	951	0	
Second preceding taxation year	0	0.00	952	0	
Third preceding taxation year	0	0.00	953	0	0
Capital losses - Closing balance			280		0

Part 2 - Capital losses

Continuity of capital losses and request for a carryback (cont'd)

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.
Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine by dividing the total taxable capital gain by the total capital gain.

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 3 - Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year		0	
Deduct: Farm loss expired after 10 taxation years	300	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0
		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0
Farm losses - Closing balance	380		0

Restricted Farm Loss Determination:
Is the corporation exempt from the restricted farm loss rules?
(A reply of "NO" triggers the restricted farm loss rules.) [Y/N] [Y]

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business			485		0 A
Minus the deductible farm loss:					
$2,500 plus B or C, whichever is less				2,500	
(Amount A above	0 - $2,500) divided by 2	=	0 B		
			6,250 C	0	2,500
Current-year restricted farm loss (enter this amount on line 410)					0

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0	
Deduct: Restricted farm loss expired after 10 taxation years	400	0	
Restricted farm losses at beginning of taxation year	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0
		Subtotal	0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0
Restricted farm losses - Closing balance		480	0

Note

The total losses for the year from all farming businesses are computed without including any scientific research expenses.

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			0
Deduct: Listed personal property loss expired after seven taxation years	500		0
Listed personal property losses at beginning of taxation year	502		0
Add: Current-year listed personal property loss (from Schedule 6)	510		0
		Subtotal	0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0
		Subtotal	0
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance		580	0

Part 6 - Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	135,371	0	0	N/A	0	135,371	
2001	0	N/A	0	N/A	0	0	0	
2000	0	N/A	0	N/A	0	0	0	
1999	0	N/A	0	N/A	0	0	0	
1998	0	N/A	0	N/A	0	0	0	
1997	0	N/A	0	N/A	0	0	0	
1996	0	N/A	0	N/A	0	0	0	
1995	0	N/A	0	N/A	0	0	0	*
Total	0	135,371	0	0	0	0	135,371	

Farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	0	0	0	N/A	0	0	
2001	0	N/A	0	N/A	0	0	0	
2000	0	N/A	0	N/A	0	0	0	
1999	0	N/A	0	N/A	0	0	0	
1998	0	N/A	0	N/A	0	0	0	
1997	0	N/A	0	N/A	0	0	0	
1996	0	N/A	0	N/A	0	0	0	
1995	0	N/A	0	N/A	0	0	0	
1994	0	N/A	0	N/A	0	0	0	
1993	0	N/A	0	N/A	0	0	0	
1992	0	N/A	0	N/A	0	0	0	*
Total	0	0	0	0	0	0	0	

Restricted farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	0	0	0	N/A	N/A	0	
2001	0	N/A	0	N/A	0	N/A	0	
2000	0	N/A	0	N/A	0	N/A	0	
1999	0	N/A	0	N/A	0	N/A	0	
1998	0	N/A	0	N/A	0	N/A	0	
1997	0	N/A	0	N/A	0	N/A	0	
1996	0	N/A	0	N/A	0	N/A	0	
1995	0	N/A	0	N/A	0	N/A	0	
1994	0	N/A	0	N/A	0	N/A	0	
1993	0	N/A	0	N/A	0	N/A	0	
1992	0	N/A	0	N/A	0	N/A	0	*
Total	0	0	0	0	0	N/A	0	

* This balance expires this year and will not be available next year

SCUGOG HYDRO ENERGY CORPORATION Sch. 008
Account/Business No.: 870517182RC0001 Year Ended: 2001-12-31

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	0	13,985	0	0	6,992	4	0	0	71	13,914
1	0	1,206,707	-85,229	0	603,353	4	0	0	5,224	1,116,254
8	0	439,888	0	0	219,944	20	0	0	11,088	428,800
12	0	12,500	0	0	6,250	100	0	0	1,575	10,925
Total	0	1,673,080	-85,229	0	836,539		0	0	17,958	1,569,893

SCUGOG HYDRO ENERGY CORPORATION — Sch. 050

Account/Business No.: 870517182RC0001 — Year Ended: 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION
(1998 and later taxation years)

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
100	200	300	400	500
TOWNSHIP OF SCUGOG	NR		100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

SCUGOG HYDRO ENERGY SERVICES

As of December 31, 2001

BALANCE SHEET

Current Assets	**1,296,978**
Fixed Assets	
Distribution	3,584,122
System Supervisory Equipment	12,236
Sentinel Lights	11,436
	3,607,793
Accumulated Depreciation	
Distribution	(1,838,131)
Buildings-Fix Distribution Plant	(36,883)
System Sup	(1,631)
Sentinel Ligt System Sup	(11,436)
Contrib Cap Deferred	4,241
	(1,883,841)
Net Fixed Assets	**1,723,952**
Other Assets	
Miscellaneous Deferred Debits	12,500
	12,500
TOTAL ASSETS	**3,033,430**
Current Liabilities	**543,593**
Non-Current Liabilities	
Miscellaneous	10,610
Customer Deposits LT	91,936
Customer Deposits LT- Advance	0
	102,546
Long Term Debt	**1,265,877**
Contributed Capital	**106,022**
Shareholders Equity	
Common Shares Issues	1,265,877
Balance from Current Year Income	(105,507)
Balance from Previous Years Income	(144,978)
	1,015,392
TOTAL LIABILITIES & EQUITY	**3,033,430**

SCUGOG HYDRO ENERGY CORPORATION

INCOME STATEMENT	ACTUAL DEC 2001	ACTUAL SEP 2001	(3 months) ACTUAL SEP-DEC 2001
ENERGY SALES			
Sale of Energy	3,566,164	2,667,393	898,771
Cost of Power	3,120,684	2,230,713	889,971
Gross Margin	**445,480**	**436,680**	**8,800**
Gross Margin %	12.5	16.4	1.0
OTHER REVENUE			
Interest/Late Payments/Rentals, Misc	**72,087**	**42,019**	**30,068**
Ontario Hydro Rebate	**14,500**	**14,500**	**0**
OPERATING EXPENSES			
Contract Fees	396,650	297,632	99,018
Direct Costs	97,514	49,844	47,670
Interest Expense	38,295	28,702	9,593
Total Operating Expenses	**532,459**	**376,178**	**156,281**
DEPRECIATION/AMORTIZATION	**105,115**	**78,226**	**26,889**
NET INCOME BEFORE TAXES	**(105,507)**	**38,795**	**(144,302)**
Taxes - Corporate			0.00
- Capital			0.00
NET INCOME AFTER TAXES	**(105,507)**	**38,795**	**(144,302)**

WORKING CAPITAL

SOURCE			
Net Income	(105,507)	38,795	
Depreciation	105,115	78,226	
Other	5,651	23,256	
Total Sources	**5,259**	**140,277**	
CAPITAL EXPENDITURES			
Capital Projects- Services Agreement	24,297	11,169	
Contributed Capital -Services Agreement	0	0	
Capital Projects- New Servicing	106,022	20,793	
Contributed Capital- New Servicing	(106,022)	(20,793)	
Capital Projects-Vehicle costs	28,800	21,600	
Total Capital Expenditures	**53,097**	**32,769**	
WORKING CAPITAL - JAN 1	**801,226**	**801,226**	
Change in Working Capital	(47,838)	107,508	
WORKING CAPITAL DEC 31	**753,388**	**908,734**	
% of Net Expenses	20.62	26.15	

Recommendation:

That the Financial Statements for the period ending December 31st, 2001 be approved as presented.

R. Abi-Rashed, Treasurer

Scugog Hydro Energy Corporation.

ELECTION UNDER SUBSECTION 13(7.4)

The company hereby elects under subsection 13(7.4) of the Income Tax Act to reduce the capital cost of depreciable property of class 1 acquired in the taxation year by an amount of $85,229 received in the taxation year in respect of that property that would otherwise be included in income under paragraph 12(1)(x).

_____

Authorised Signing Officer

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200
Code 0401

055 Do not use this area

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

Business Number (BN) 001 870517182RC0001

Corporation's name

002 SCUGOG HYDRO ENERGY CORPORATION

Has the corporation changed its name since the last time we were notified? 003 1 Yes [ ] 2 No [X]

If *Yes*, do you have a copy of the articles of amendment? 004 1 Yes [ ] 2 No [ ]

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes [ ] 2 No [X]

011 100 TAUNTON RD. EAST

012 P.O. BOX 59

City	Province, territory, or state
015 WHITBY	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L1N-5R8

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? 020 1 Yes [ ] 2 No [X]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

Has the location of books and records changed since the last time we were notified? 030 1 Yes [ ] 2 No [X]

031 SAME AS ABOVE

032

City	Province, territory, or state
035	036
Country (other than Canada)	**Postal code/ZIP code**
037	038

040 **Type of corporation at the end of the taxation year**

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043 YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year-end
060 2002-01-01 YYYY/MM/DD	061 2002-12-31 YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes [ ] 2 No [X]

If *Yes*, give the date control was acquired 065 YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? 070 1 Yes [ ] 2 No [X]
Amalgamation? 071 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *No*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141. * We do not print these schedules.

Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

Guide item			Yes	Schedule
27	Is the corporation related to any other corporations?	150		9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160		23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province or a territory, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204	X	4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
124	Is the corporation subject to gross Part I.3 tax?	233		33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236		36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
153	Is the corporation claiming a film or video production services tax credit refund?	254		T1177
130	Is the corporation subject to Part XIII.1 tax?	255		92 *

Attachments – continued from page 2

Guide item			Yes	Schedule
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256		T1134-A
44	Did the corporation have any controlled foreign affiliates?	258		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
44	Did the corporation transfer or loan property to a non-resident trust?	260		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174

Additional information

Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? (Only complete if *Yes* was entered at line 281.) 282 _____

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	ELECTRIC POWER DISTR	285	100%
286		287	0%
288		289	0%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes		2 No	X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes		2 No	X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	-376,923 A
Deduct: Charitable donations from Schedule 2	311	0		
Gifts to Canada, a province, or a territory from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0		
Part VI.1 tax deduction from Schedule 43*	325	0		
Non-capital losses of preceding taxation years from Schedule 4	331	0		
Net-capital losses of preceding taxation years from Schedule 4	332	0		
Restricted farm losses of preceding taxation years from Schedule 4	333	0		
Farm losses of preceding taxation years from Schedule 4	334	0		
Limited partnership losses of preceding taxation years from Schedule 4	335	0		
Taxable capital gains or taxable dividends allocated from a central credit union	340	0		
Prospector's and grubstaker's shares	350	0		
Subtotal		0		0 B
Subtotal (amount A minus amount B) (if negative, enter "0")				0 C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions			355	0 D
Taxable income (amount C plus amount D)			360	0
Income exempt under paragraph 149(1)(t)			370	0
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)				0 Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 ..... 400 0 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... 405 0 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003 / Number of days in the taxation year	365 / 365	=	200,000	1
225,000	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 365	=	0	2
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0 / 365	=	0	3
300,000	x	Number of days in the taxation year after 2004 / Number of days in the taxation year	0 / 365	=	0	3.1

Add amounts at lines 1, 2, 3, and 3.1 200,000 4

Business limit (see notes 1 and 2 below) ..... 410 200,000 C

Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C 200,000 x 415*** 0 / 11,250 D = ... 0 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 200,000 F

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F (enter amount G on line 9 of page 7) ..... 430 0 G

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus $10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 200,000 x 300,000 / line 4 above = 300,000 A

Net active business income (amount from line 400) * ..... 0 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I tax ..... 0 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 0 0 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 K

Total of amounts G, H, I, J, and K ..... 0 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 M

Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] ..... 435 0 A

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 365	x 1% =	0	B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0 / 365	x 2% =	0	C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 365	x 3% =	0	C.1
Amount A	0	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	0 / 365	x 5% =	0	C.2

Resource deduction – total of amounts B, C, C.1, and C.2 ..... 438 0 D
(enter amount D on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 0 E

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	F
Amount QQ from Part 13 of Schedule 27		0	G
Taxable resource income from line 435 above		0	H
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	I
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0	J
Aggregate investment income from line 440 of page 6		0	K
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0	L
Total of amounts F, G, H, I, J, K, and L		0	M

Amount E minus amount M (if negative, enter "0") ..... 0 N

Amount N	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	365 / 365	x 3% =	0	O
Amount N	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 365	x 5% =	0	P
Amount N	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365	x 7% =	0	Q

General tax reduction for Canadian-controlled private corporations - total of amounts O, P, and Q ..... 0 R
(enter amount R on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	T
Amount QQ from Part 13 of Schedule 27		0	U
Taxable resource income from line 435 above		0	V
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	W
Total of amounts T, U, V, and W		0	X

Amount S minus amount X (if negative, enter "0") ..... 0 Y

Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	365 / 365	x 3% =	0	Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 365	x 5% =	0	AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365	x 7% =	0	BB

General tax reduction - total of amounts Z, AA, and BB ..... 0 CC
(enter amount CC on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income .... 440 0 x 26 2/3% = ... 0 A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income ..... 445 0 x 9 1/3% = ... 0
(amount O from Part 1 of Schedule 7) (if negative, enter "0") 0 0 B

Amount A minus amount B (if negative, enter "0") ..... 0 C

Taxable income from line 360 on page 3 0

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is less 0

Foreign non-business income tax credit from line 632 of page 7 ..... 0 x 25/9 = 0

Foreign business income tax credit from line 636 of page 7 ..... 0 x 3 = 0

0 0
0 x 26 2/3% = 0 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 0

Deduct: Corporate surtax from line 600 of page 7 0

Net amount ..... 0 0 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is less ..... 450 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0

Deduct: Dividend refund for the previous taxation year 465 0

0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 0

0 B

Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B 485 0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 ..... 0 x 1/3 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8) 0

Part I tax

Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 0 A

Corporate surtax calculation

Base amount from line A above 0 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 0 2

Investment corporation deduction from line 620 below 0 3

Federal logging tax credit from line 640 below 0 4

Federal qualifying environmental trust tax credit from line 648 below 0 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3 ... 0 a

28.00% of taxed capital gains ..... 0 b

Part I tax otherwise payable ..... 0 c

(line A **plus** lines C and D **minus** line F) 0 6

Total of lines 2 to 6 ..... 0 7

Net amount (line 1 minus line 7) 0 8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 0 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 ..... 0 i

Taxable income from line 360 on page 3 0

Deduct:

Amount on lines 400, 405, 410, or 425 of page 4, whichever is less .. 0

Net amount ..... 0 0 ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 0 E

Deduct:

Small business deduction from line 430 of page 4 ..... 0 9

Federal tax abatement 608 0

Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 ..... 616 0

Investment corporation deduction 620 0

(taxed capital gains 624 0)

Additional deduction – credit unions from Schedule 17 ..... 628 0

Federal foreign non-business income tax credit from Schedule 21 ..... 632 0

Federal foreign business income tax credit from Schedule 21 ..... 636 0

Accelerated tax reduction from amount N of page 4 ..... 637 0

Resource deduction from line 438 of page 5 ..... 0 10

General tax reduction for CCPCs from amount R of page 5 ..... 638 0

General tax reduction from amount CC of page 5 ..... 639 0

Federal logging tax credit from Schedule 21 ..... 640 0

Federal political contribution tax credit 644 0

Federal political contributions 646 0

Federal qualifying environmental trust tax credit 648 0

Investment tax credit from Schedule 31 ..... 652 0

Subtotal 0 0 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 0 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		0

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0	
		0	0
Total tax payable	770		0 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	0	
Federal capital gains refund from Schedule 18	788	0	
Federal qualifying environmental trust tax credit refund	792	0	
Canadian film or video production tax credit refund from Form T1131	796	0	
Film or video production services tax credit refund from Form T1177	797	0	
Tax withheld at source	800	0	
Total payments on which tax has been withheld 801		0	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0	
Provincial and territorial capital gains refund from Schedule 18	808	0	
Provincial and territorial refundable tax credits from Schedule 5	812	0	
Royalties deductible under Syncrude Remission Order 815		0	
Tax remitted under Syncrude Remission Order	816	0	
Tax instalments paid	840	0	
Total credits	890	0	0 B

Refund code 894 0 Overpayment 0

Balance (line A minus line B) 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.
We do not charge or refund a difference of $2 or less.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 _____ Branch number

914 _____ Institution number 918 _____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 ABI-RASHED (Last name in block letters) 951 RAMONA (First name in block letters) 954 VICE-PRESIDENT FINANCE (Position, office, or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 _____ Date (yyyy/mm/dd) _____ Signature of the authorized signing officer of the corporation 956 _____ Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☐ 2 No ☒

958 _____ Name in block letters 959 _____ Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

SCUGOG HYDRO ENERGY CORPORATION Sch. 001
Account/Business No.: 870517182RC0001 Year Ended: 2002-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.

- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).

- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."

- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements		-368,999

Additions:

Amortization of tangible assets	104	111,708
Subtotal of additions		111,708 111,708

Other Additions:

Miscellaneous Other Additions:

600 ADDBACK RE S. 12 (1)(x)	290	209,135	
Subtotal of Other Additions	199	209,135	209,135
Total Additions	500		320,843

SCUGOG HYDRO ENERGY CORPORATION Sch. 001
Account/Business No.:870517182RC0001 Year Ended: 2002-12-31

Deductions:

Capital cost allowance from Schedule 8	403	119,632
Subtotal of Deductions		119,632 119,632

Other Deductions:

Miscellaneous Other Deductions:

700 DEDUCT RE: ELECTION UNDER S. 13(7	390		209,135
Subtotal of Other Deductions	499		209,135 209,135
Total Deductions	510		328,767

Net income (loss) for income tax purposes -376,923
(enter on line 300 on the T2 return)

SCUGOG HYDRO ENERGY CORPORATION | Sch. 004
Account/Business No.: 870517182RC0001 | Year Ended: 2002-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

Part 1 - Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes	376,923
Deduct: (increase a loss)	
Net capital losses deducted in the year (enter as a positive amount)	0
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	
Amount of Part VI.1 tax deductible	0
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	0 0
Subtotal (if positive, enter "0")	-376,923
Deduct: (increase a loss)	
Section 110.5 - Addition for foreign tax deductions	0
Subtotal	-376,923
Add: (decrease a loss)	
Current-year farm loss	0
Current-year non-capital loss (if positive, enter "0")	376,923

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		145,634	
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of taxation year	102	145,634	
Add: Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	376,923	522,557

Continuity of non-capital losses and request for a carryback (cont'd)

Deduct:

Amount applied against taxable income (enter on line 331 of the T2 return)	130	0
Amount applied against taxable dividends subject to Part IV tax	135	0
Section 80 - Adjustments for forgiven amounts	140	0
Subsection 111(10) - Adjustments for fuel tax rebate		0
Other adjustments	150	0 0
Subtotal		522,557

Deduct - Request to carry back non-capital loss to:

First preceding taxation year to reduce taxable income	901	0
Second preceding taxation year to reduce taxable income	902	0
Third preceding taxation year to reduce taxable income	903	0
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911	0
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912	0
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913	0 0
Non-capital losses - Closing balance	180	522,557

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 [Yes]

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0	
Current-year capital loss (from Schedule 6 calculation)	210	0	0
Add:			
Allowable business investment loss expired as non-capital loss	220		0
Subtotal			0
Deduct:			
Amount applied against current-year capital gain (see note 1)	225	0	
Section 80 - Adjustments for forgiven amounts	240	0	
Other adjustments	250	0 0	
Subtotal			0

Part 2 - Capital losses (cont'd)

— Continuity of capital losses and request for a carryback (cont'd)

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year	0	951	0	
Second preceding taxation year	0	952	0	
Third preceding taxation year	0	953	0	0
Capital losses - Closing balance		280		0

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.
Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine by dividing the total taxable capital gain by the total capital gain.

Note 1
On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2
Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 3 - Farm losses

— Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year			0
Deduct: Farm loss expired after 10 taxation years	300		0
Farm losses at beginning of taxation year	392		0
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	395		0
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330		0
Amount applied against taxable dividends subject to Part IV tax	335		0
Section 80 - Adjustment forgiven amount	340		0
Other adjustments	350	0	0
Subtotal			0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921		0
Second preceding taxation year to reduce taxable income	922		0
Third preceding taxation year to reduce taxable income	923		0
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0
Farm losses - Closing balance	380	0	

Restricted Farm Loss Determination:
Is the corporation exempt from the restricted farm loss rules?
(A reply of "NO" triggers the restricted farm loss rules.) ..... [Y/N] Y

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business 485		A	0
Minus the deductible farm loss:			
$2,500 plus B or C, whichever is less	2,500		
(Amount A above - $2,500) divided by 2	B 0		
	C 250	0	2,500
Current-year restricted farm loss (enter this amount on line 410)			0

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0
Deduct: Restricted farm loss expired after 10 taxation years 400		0
Restricted farm losses at beginning of taxation year 402		0
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation 405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1) 410	0	0
Deduct:		
Amount applied against farming income (enter on line 333 of the T2 return) 430	0	
Section 80 - Adjustments for forgiven amounts ... 440	0	
Other adjustments 450	0	0
Subtotal		0
Deduct - Request to carry back restricted farm loss to:		
First preceding taxation year to reduce farming income 941	0	
Second preceding taxation year to reduce farming income 942	0	
Third preceding taxation year to reduce farming income 943	0	0
Restricted farm losses - Closing balance 480		0

Note

The total losses for the year from all farming businesses are computed without including any scientific research expenses.

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year		0
Deduct: Listed personal property loss expired after seven taxation years 500		0
Listed personal property losses at beginning of taxation year 502		0
Add: Current-year listed personal property loss (from Schedule 6) 510		0
Subtotal		0
Deduct:		
Amount applied against listed personal property gains (enter on line 655 of Schedule 6) 530	0	
Other adjustments 550	0	0
Subtotal		0

Part 5 - Listed personal property losses (cont'd)

— Continuity of listed personal property loss and request for a carryback (cont'd)

Deduct - Request to carry back listed personal property loss to:

First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance	580		0

Part 6 - Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at Beginning of Year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for Help	Loss Carried Back to Parts I & II	Applied to Reduce Taxable Income	Applied to Reduce Part IV Tax	Balance at End of Year	
Current	N/A	376,923	0	N/A			0376,923	
2001	145,634	N/A		N/A		0	0145,634	
2001	N/A		N/A	N/A		0	0	0
2000	N/A		N/A	N/A		0	0	0
1999	N/A		N/A	N/A		0	0	0
1998	N/A		N/A	N/A		0	0	0
1997	N/A		N/A	N/A		0	0	0
1996	N/A		N/A	N/A		0	0	* 0
Total	145,634	376,923	0	0	0		0522,557	

Farm losses

Year of origin	Balance at Beginning of Year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for Help	Loss Carried Back to Parts I & II	Applied to Reduce Taxable Income	Applied to Reduce Part IV Tax	Balance at End of Year	
Current	N/A		0	0	N/A		0	0
2001		N/A		N/A		0	0	0
2001		N/A		N/A		0	0	0
2000		N/A		N/A		0	0	0
1999		N/A		N/A		0	0	0
1998		N/A		N/A		0	0	0
1997		N/A		N/A		0	0	0
1996		N/A		N/A		0	0	0
1995		N/A		N/A		0	0	0
1994		N/A		N/A		0	0	0
1993		N/A		N/A		0	0	* 0
Total		0	0	0	0	0	0	0

Restricted farm losses

Year of origin	Balance at Beginning of Year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for Help	Loss Carried Back	Applied to Reduce Taxable Income	Applied to Reduce Part IV Tax	Balance at End of Year	
Current	N/A		0	0	N/A	N/A		0
2001		N/A		N/A		N/A		0
2001		N/A		N/A		N/A		0
2000		N/A		N/A		N/A		0
1999		N/A		N/A		N/A		0
1998		N/A		N/A		N/A		0
1997		N/A		N/A		N/A		0
1996		N/A		N/A		N/A		0
1995		N/A		N/A		N/A		0
1994		N/A		N/A		N/A		0
1993		N/A		N/A		N/A	*	0
Total		0	0	0	0	N/A		0

*This balance expires this year and will not be available next year

SCUGOG HYDRO ENERGY CORPORATION Sch. 008
Account/Business No.: 870517182RC0001 Year Ended: 2002-12-31

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	729,344	284,143	-209,135	0	142,071	4	0	0	30,956	773,396
8	111,504	16,704	0	0	8,352	20	0	0	23,971	104,237
12	10,925	0	0	0	0	100	0	0	10,925	0
2	896,336	0	0	0	0	6	0	0	53,780	842,556
Total	1,748,109	300,847	-209,135	0	150,423		0	0	119,632	1,720,189

SCUGOG HYDRO ENERGY CORPORATION Sch. 050

Account/Business No.: 870517182RC0001 Year Ended: 2002-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
100	200	300	400	500
TOWNSHIP OF SCUGOG	NR		100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1 If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2 If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3 If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Ontario

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

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No

Corporation's Legal Name *(including punctuation)*

SCUGOG HYDRO ENERGY CORPORATION

Ontario Corporations Tax Account No. (MOF)
1800289

Mailing Address

100 TAUNTON RD. EAST
P.O. BOX 59
WHITBY
ON CA L1N-5R8

This CT23 Return covers the Taxation Year

Start: year month day 2002-01-01

End: year month day 2002-12-31

Has the mailing address changed since last filed CT23 Return? [ ] Yes | Date of Change: year month day

Date of Incorporation or Amalgamation: year month day 1999-11-01

Registered/Head Office Address

100 TAUNTON RD. EAST
P.O. BOX 59
WHITBY
ON CA L1N-5R8

Ontario Corporation No. (MCBS)

Location of Books and Records

SAME AS ABOVE

CA

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.

If applicable, enter 870517182RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
RAMONA ABI-RASHED		

Jurisdiction Incorporated: ONTARIO

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

ON CA -

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:

Commenced: year month day 2000-10-31

Ceased: year month day

[ ] ***Not Applicable***

Former Corporation Name *(Extra-Provincial Corporations only)* [X] ***Not Applicable*** (MCBS)

Preferred Language/*Langue de préférence*

[X] English *anglais* [ ] French *français*

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS).

[X] **No Change**

Ministry use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

RAMONA ABI-RASHED

Title: [ ] D Director [X] O Officer [ ] P Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2002-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 [1] [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent) [100] %

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity

2 [2]

1 [ ] Family Farm Corporation s.1 (2)
2 [ ] Family Fishing Corporation s.1 (2)
3 [ ] Mortgage Investment Corporation s.47
4 [ ] Credit Union s.51
5 [ ] Bank Mortgage Subsidiary s.61 (4)
6 [ ] Bank s.1 (2)
7 [ ] Loan and Trust Corporation s.61 (4)
8 [ ] Non-resident Corporation s.2(2)(a) or (b)
9 [ ] Non-resident Corporation s.2(2)(c)
10 [ ] Mutual Fund Corporation s.48
11 [ ] Non-resident owned investment Corporation s.49
12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
14 [ ] Bare Trustee Corporation
15 [ ] Branch of Non-resident s.63(1)
16 [ ] Financial institution prescribed by Regulation only
17 [ ] Investment Dealer
18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either
20 [ ] Producer and seller of steam for uses other than for the generation of electricity
21 [ ] Insurance Exchange s.74.4
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

Please "X" box(es) if applicable:

[ ] First Year of Filing
[ ] Amended Return
[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required
[ ] Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)
[ ] Final Taxation Year before Amalgamation
[ ] Floating Fiscal Year End
[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
[ ] Acquisition of Control fed s.249(4)

Date Control was acquired
year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[ ]	[X]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

SCUGOG HYDRO ENERGY CORPORATION | 1800289 | 2002-12-31

Income Tax

DOLLARS ONLY

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)		±	From 690	-376,923.
Subtract: Charitable donations		–	1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*		–	2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3		–	3	0.
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)		–	4	0.
Subtract: Federal Part VI.1 tax	0. X 9/3	–	5	0.
Subtract: Prior years' losses applied – Non-capital losses		–	From 704	0.
Net capital losses	From 715 (page 16) 0. X inclusion rate 50.000000%	–	714	0.
Farm losses		–	From 724	0.
Restricted farm losses		–	From 734	0.
Limited partnership losses		–	From 754	0.
Taxable Income (Non-capital loss)		=	10	-376,923.
Addition to taxable income for unused foreign tax deduction for federal purposes		+	11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)		=	20	0.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) 0. x 30 Ontario Allocation 100.0000% x 12.5000% x (Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 365 ÷ Total Days 73 365) = + 29 0.

From 10 (or 20 if applicable) 0. x 30 Ontario Allocation 100.0000% x 14.0000% x (Days after Dec. 31, 2003: 34 0 ÷ Total Days 73 365) = + 32 0.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 0.

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [ ] Yes [X] No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51 0.		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52 0.		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53 0.		
	= 0.	54	0.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	55 200,000.		

Ontario Business Limit Calculation

280,000 x (Days after Sept. 30, 2001 and before Jan. 1, 2003: 28 365 ÷ ** 365) = + 43 280,000.

320,000 x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 31 0 ÷ ** 365) = + 46 0.

400,000 x (Days after Dec. 31, 2003: 34 0 ÷ ** 365) = + 47 0.

Business Limit for Ontario purposes 43 + 46 + 47 = 44 280,000. x (*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated. 48 100.0000 %) = 45 280,000.

Income eligible for the IDSBC From 30 100.0000% **** Ontario Allocation x 56 Least of 50, 54 or 45: 0. = 60 0.

* ***Note:*** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.*

**** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

	6.50 %	x	Days after Sept. 30, 2001 and before Jan. 1, 2003	28	365	÷ 73	Total Days 365	= +	79	6.5000
	7.00 %	x	Days after Dec. 31, 2002 and before Jan. 1, 2004	31	0	÷ 73	Total Days 365	= +	89	.0000
	8.50 %	x	Days after Dec. 31, 2003	34	0	÷ 73	Total Days 365	= +	90	.0000

IDSBC Rate for Taxation Year [79] + [89] + [90] ..... = [78] 6.5000

Claim ..... From [60] 0. x From [78] 6.5000 % ..... = [70] 0.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in [114] below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** ***Short Taxation Years*** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** **Taxable Income of the corporation** ..... From [10] (or [20] if applicable) + [80] 0.

If you are a member of an associated group (X) [81] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
			+ [82] 0.
			+ [83] .
			+ [84] .

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. ..... = [85] 0.

Number of Days in Taxation Year

Subtract: 280,000	x	Days after Sept. 30, 2001 and before Jan. 1, 2003	28	365	÷ 73	Total Days 365	= +	113	280,000.
320,000	x	Days after Dec. 31, 2002 and before Jan. 1, 2004	31	0	÷ 73	Total Days 365	= +	115	0.
400,000	x	Days after Dec. 31, 2003	34	0	÷ 73	Total Days 365	= +	116	0.

[113] + [115] + [116] = 280,000. ..... - [114] 280,000.

(If negative, enter nil) ..... = [86] 0.

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax	4.3330 %	x	Days after Sept. 30, 2001 and before Jan. 1, 2003	28	365	÷ 73	Total Days 365	= +	95	4.3330
	4.6670 %	x	Days after Dec. 31, 2002 and before Jan. 1, 2004	31	0	÷ 73	Total Days 365	= +	96	.0000
	4.6670 %	x	Days after Dec. 31, 2003	34	0	÷ 73	Total Days 365	= +	97	.0000

Specified rate of surtax for Taxation Year [95] + [96] + [97] ..... = [94] 4.3330

From [86] 0. x From [94] 4.3330 % ..... = [87] 0.

From [87] 0. x From [60] 0. ÷ From [114] 280,000. = [88] 0.

Surtax Lesser of [70] or [88] ..... = [100] 0

continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits	+		120	0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	–	From 56		0.
Add: Adjustment for Surtax on Canadian-controlled private corporations				
From 100 0. ÷ From 30 100.0000 % * Ontario Allocation ÷ From 78 6.5000 % = 121 0.				
Lesser of 56 or 121	+		122	0.
120 – 56 + 122	=		130	0.
Taxable Income	+	From 10		-376,923.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	–	From 56		0.
Add: Adjustments for Surtax on Canadian-controlled private corporations	+	From 122		0.
Subtract: Taxable Income 10 -376,923. X Allocation % to jurisdictions outside Canada .0000 %	–		140	0.
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	–		141	0.
10 – 56 + 122 – 140 – 141	=		142	0.

Claim

Number of Days in Taxation Year

143 0. Lesser of 130 or 142 X From 30 100.0000 % * Ontario Allocation X 1.5000 % X (Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 0 ÷ Total Days 73 365) = + 154 0.

143 0. Lesser of 130 or 142 X From 30 100.0000 % * Ontario Allocation X 2.0000 % X (Days after Dec. 31, 2003: 34 0 ÷ Total Days 73 365) = + 156 0.

M&P claim for taxation year 154 + 156 ..... = 160 0.

** **Note:** Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule).* ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 0.

continued on Page 7

Income Tax *continued from Page 6*
Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* . . . . . + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F . . . . . + 192 0.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) **or** Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* . . . . . + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed post secondary graduate. 194 0
Eligible Credit From 6598 Summary Schedule G . . . . . + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* . . . . . + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) . . . . . + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* . . . . . + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* . . . . . + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation
(Attach original Claim/Certification Form.) . . . . . + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* . . . . . + 201 0.

Other (specify) _____ . . . . . + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** . . . . . = 225 0.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* . . . . . = 230 0.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 17.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets [249] exceeds $5,000,000 ***or*** Total Revenue [250] exceeds $10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	+ [240]	2,919,772.	
*** Total Revenue of the corporation**			+ [241] 3,819,981.

If you are a member of an associated group (x) [242] ☐ (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Total Revenue
		+ [243]	+ [244]	.
		+ [245]	+ [246]	.
		+ [247]	+ [248]	.

Aggregate Total Assets	[240] + [243] + [245] + [247] , etc.	= [249]	2,919,772.
Aggregate Total Revenue	[241] + [244] + [246] + [248] , etc.	= [250]	3,819,981.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 18, 19 and 20 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 18.)*

Gross CMT Payable	CMT Base From [2135] 0. (If negative, enter zero)	X From [30] 100.0000 % (Ontario Allocation)	X 4.0000 % =	[276]	0.
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*				– [277]	0.
Subtract: Income Tax				– From [190]	0.
Net CMT Payable (If negative, enter Nil on Page 17.)				= [280]	0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 17.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 17*** and transfer [280] to ***Page 17,*** **and** to ***Schedule D: Continuity of CMT Credit Carryovers,*** *on* ***Page 20.***

CMT Credit Carryover available From [2307] 0.

Application of CMT Credit Carryovers

A.	Income Tax (before deduction of specified credits)		+ From [190]	0.	
	Gross CMT Payable	+ From [276] 0.			
	Subtract: Foreign Tax Credit for CMT purposes	– From [277] 0.			
	If [276] – [277] is negative, enter NIL in [290]	= 0.	– [290]	0.	
	Income Tax eligible for CMT Credit		= [300]	0.	
B.	Income Tax (after deduction of specified credits)		+ From [230]	0.	
	Subtract: CMT credit used to reduce income taxes		– [310]	0.	
	Income Tax		= [320]	0.	

Transfer to page 17

If A & B apply, [310] ***cannot exceed the lesser of*** [230], [300] ***and your CMT credit carryover available*** [2307].

If only B applies, [310] ***cannot exceed the lesser of*** [230] ***and your CMT credit carryover available*** [2307].

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 ***and*** 430 ***on page 10 then proceed to page 13.***
If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	+ 350	1,265,878.
Retained earnings (if deficit, deduct) (Int.B. 3012)	± 351	-619,483.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+ 352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+ 353	1,476,598.
Bank loans (Int.B. 3013)	+ 354	0.
Bankers acceptances (Int.B. 3013)	+ 355	0.
Bonds and debentures payable (Int.B. 3013)	+ 356	0.
Mortgages payable (Int.B. 3013)	+ 357	0.
Lien notes payable (Int.B. 3013)	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+ 359	0.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+ 360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+ 361	0.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+ 362	0.
Subtotal	= 370	2,122,993.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	− 371	9,256.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	− 372	0.
Total Paid-up Capital	= 380	2,113,737.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	− 381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	− 382	0.
Net Paid-up Capital	= 390	2,113,737.

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+ 404	0.
Loans and advances to unrelated corporations	+ 405	88,797.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+ 406	0.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+ 407	0.
Total Eligible Investments	= 410	88,797.

continued on Page 10

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289 Year Ended: 2002-12-31

Attached Sch.

CCA - 2002	119,632.00
AMORTIZATION - 2002	-111,708.00
	0.00
CCA - 2001	28,221.00
AMORTIZATION - 2001	-26,889.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	9,256.00

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289 Year Ended: 2002-12-31

Attached Sch.

NON-CURRENT LIABILITIES		131,661.00
LT DEBT		1,265,878.00
CURRENT PORTION OF CUSTOMER DEPOSITS		14,629.00
CUSTOMER CREDIT BALANCES		20,904.00
A/P > 365 DAYS		43,526.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	1,476,598.00

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	+	420	2,919,772.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	–	423	0.
Total Assets as adjusted	=	430	2,919,772.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	–	441	9,256.
Subtract: Appraisal surplus if booked	–	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	2,910,516.

Investment Allowance (410 ÷ 450) x 390 ..... Not to exceed 410	=	460	64,488.
Taxable Capital 390 – 460	=	470	2,049,249.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	3,819,981.
Total Assets (as adjusted) From	430	2,919,772.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(Financial Institutions use calculations on page 13.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.**

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and if applicable, complete** Section D or Section E on page 12. **Note: if the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

B2. If taxable capital, 470 on page 10, is **$5,000,000 or less**, enter NIL in 550 on page 12 and complete the return from that point.

B3. If taxable capital, 470 on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount From 523 to 543 on page 12, and complete the return from that point.

+ From 470 2,049,249.
– 5,000,000.
= 471 0. X From 30 100.0000% (Ontario Allocation) X .3000% X 555 365 / ** 365 (366 if leap year) ..... = + 523 0.

Transfer to 543 on page 12 and complete the return from that point

***** If floating taxation year, refer to Guide.***

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. ☐ 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do NOT complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 ..... + From 470 0.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
			+ 531 0.
			+ 532 .
			+ 533 .
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc.			= 540 0.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in 523 in section D on page 12, as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From 470 0. ÷ From 540 0. x 0 .....= 541 0.
Transfer to 542 *in Section D on page 12*

S.s.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, [540] *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From [523] to [543], and complete the return from that point.

+ From	[470]	0.									
–	[542]	0.									
=	[471]	0.	x From	[30]	100.0000%	x .3000%	x	[555] 365 / ** 365 (366 if leap year)	.....	= + [523]	0.
					Ontario Allocation			Days in taxation year			Total Capital Tax for the taxation year
											Transfer to [543] and complete the return from that point

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From [470]	0.	x From	[30]	100.0000%	x .3000%	.....	= +	[561]	0.
					Ontario Allocation					

– Capital tax deduction From [995] relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form ..... – From [995] 0.

= [562] 0.

Capital Tax	..... [562]	0.	x	[555] 365 / ** 365 (366 if leap year)	.....	=	[563]	0.
				Days in taxation year				*Transfer to [543] and complete the return from that point*

***** If floating taxation year, refer to Guide.***

Capital Tax *before application of specified credits*	.....	=	[543] 0.
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	.....	–	[546] 0.
Capital Tax [543] – [546] *(amount cannot be negative)*	.....	=	[550] 0.
			Transfer to Page 17

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x 0.6% X From [30] ____% X [555] 0 ÷ ** 0 (366 if leap year) = + [569] 0.
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year

[570] 0. x [571] 0.00% X From [30] ____% X [555] 0 ÷ ** 0 (366 if leap year) = + [574] 0.
Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) [569] + [574] ..... = [575] 0.

**** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.
Transfer to [543] on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – [589] 0.

Premium Tax [588] – [589] ..... = [590] 0.
Transfer to page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ± 600 -376,923.
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	119,632.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	0.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	0.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

612	0.	x 5 ÷ 12.5000 x	Days after Sept. 30, 2001 and before Jan. 1, 2004	33	365	÷ 73	Total Days 365	= + 633	0.
612	0.	x 5 ÷ 14.0000 x	Days after Dec. 31, 2003	34	0	÷ 73	Total Days 365	= + 634	0.

Total add-back amount for Management fees, etc. 633 + 634 .... = 0.	+ 613	0.	
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161	+ 615	0.	
Add any negative amount in 473 from Ont. CT23 Schedule 161	+ 616	0.	
Federal allowable business investment loss	+ 620	0.	
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	+ 614	0.	
Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614	=	119,632.	640 119,632.

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	119,632.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	0.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	0.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) *(**Applies** only to electrical generating corporations.)*	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	119,632.

Transfer to Page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From ± 600 -376,923.

Total of Additions ..... From = 640 119,632.

Sub Total of deductions on page 14 ..... From = 681 119,632.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

From 662 0. x (Gross-up of CCA 100 / From 30 100.0000 Ontario Allocation) – From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: 665 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation) = 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: 667 0. x 100.00% x (100 / From 30 100.0000 Ontario Allocation) = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI) (*Applies* to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: 670 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation) = 671 0.

Educational Technology Tax Incentive (*Applies* to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: 672 0. x 15.00% x (100 / From 30 100.0000 Ontario Allocation) = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161 477 ..... + 679 0.

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) ..... + 677 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = 119,632. 680 119,632.

Net income (loss) for Ontario Purposes 600 + 640 – 680 ..... = 690 -376,923.

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 145,634	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 376,923	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 376,923	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 522,557	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1994-09-30				850 0	870 0
801 8th preceding taxation year 1995-09-30				851 0	871 0
802 7th preceding taxation year 1996-09-30				852 0	872 0
803 6th preceding taxation year 1997-09-30	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1998-09-30	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 1999-09-30	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2000-09-30	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2001-09-30	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2001-12-31	825 145,634	835 0	845 0	858 0	878 0
809 Current taxation year 2002-12-31	826 376,923	836 0	846 0	859 0	879 0
Total	829 522,557	839 0	849 0	869 0	889 0

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 376,923	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / **Taxation Year Ending** (year month day)				
i) 3rd preceding _____ 901	911 0	921 0	931 0	941 0
ii) 2nd preceding _____ 902	912 0	922 0	932 0	942 0
iii) 1st preceding _____ 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 376,923	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320	0.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	0.
Premium Tax	+ From 590	0.
Total Tax Payable	= 950	0.
Subtract: Payments	– 960	0.
Capital Gains Refund (s.48)	– 965	0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	– 985	0.
Specified Tax Credits *(Refer to Guide)*	– 955	0.
Other (specify) _____	–	0.
Balance	= 970	0.
If payment due	Enclosed * 990	0.
If overpayment: Refund *(Refer to Guide)*	= 975	0.
Apply to (year month day)	980	0.

(Includes credit interest)

Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

RAMONA ABI-RASHED

Title

VICE-PRESIDENT FINANCE

Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289 Year Ended: 2002-12-31

Attached Sch.

CCA - 2002	119,632.00
AMORTIZATION - 2002	-111,708.00
	0.00
CCA - 2001	28,221.00
AMORTIZATION - 2001	-26,889.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	9,256.00

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289 Year Ended: 2002-12-31

Attached Sch.

NON-CURRENT LIABILITIES	131,661.00
LT DEBT	1,265,878.00
CURRENT PORTION OF CUSTOMER DEPOSITS	14,629.00
CUSTOMER CREDIT BALANCES	20,904.00
A/P > 365 DAYS	43,526.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	1,476,598.00

Ontario

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2002-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
Total *Transfer to* 353 *of the CT23*	= 1,476,598

SCUGOG HYDRO ENERGY CORPORATION — Ont. Sch. 008
Corp. Tax Acct. No. : 1800289 — Year Ended: 2002-12-31

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

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1 Class number	2 Ontario unde-preciated capital cost at the beginning of the year (unde-preciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario unde-preciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced unde-preciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario unde-preciated capital cost at the end of the year (column 6 minus column 12)
1	729,344	284,143	-209,135	0	804,352	142,071	662,281	4	0	0	30,956	773,396
8	111,504	16,704	0	0	128,208	8,352	119,856	20	0	0	23,971	104,237
12	10,925	0	0	0	10,925	0	10,925	100	0	0	10,925	0
2	896,336	0	0	0	896,336	0	896,336	6	0	0	53,780	842,556
stotal	1,748,109	300,847	-209,135	0	1,839,821	150,423	1,689,398		0	0	119,632	1,720,189

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289 Year Ended: 2002-12-31

Ont. Sch. 008

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

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
Total	1,748,109	300,847	-209,135	0	1,839,821	150,423	1,689,398		0	0	119,632	1,720,189
								Enter in boxes	[650]	[650]	[650] on the CT23	

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200
Code 0301

055 Do not use this area

RETAIN THIS COPY FOR YOUR FILES

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

Business Number (BN) 001 870517182RC0001

Corporation's name

002 SCUGOG HYDRO ENERGY CORPORATION

Has the corporation changed its name since the last time we were notified? ... 003 1 Yes [ ] 2 No [X]

If *Yes*, do you have a copy of the articles of amendment? ..... 004 1 Yes [ ] 2 No [ ]

Address of head office

Has the address changed since the last time we were notified? ..... 010 1 Yes [ ] 2 No [X]

011 100 TAUNTON RD. EAST

012 P.O. BOX 59

City	Province, territory, or state
015 WHITBY	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L1N-5R8

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes [ ] 2 No [X]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

031 SAME AS ABOVE

032

City	Province, territory, or state
035	036
Country (other than Canada)	**Postal code/ZIP code**
037	038

040 Type of corporation at the end of the taxation year

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change ..... 043 _____ YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year-end
060 2003-01-01 YYYY/MM/DD	061 2003-12-31 YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? ..... 063 1 Yes [ ] 2 No [X]

If *Yes*, give the date control was acquired ..... 065 _____ YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? ..... 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? ..... 070 1 Yes [ ] 2 No [X]
Amalgamation? ..... 071 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? ..... 072 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? ..... 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? ..... 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *No*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? ..... 082 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules.

Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

Guide item			Yes	Schedule
27	Is the corporation related to any other corporations?	150		9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160		23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
		171		T106
43	Has the corporation had any non-arm's length transactions with a non-resident?	172		——
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	173	X	50
46	For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	201	X	1
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	202		2
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	203		3
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	204	X	4
69-76	Is the corporation claiming any type of losses?	205		5
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	206		6
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?			
103	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
124	Is the corporation subject to gross Part I.3 tax?	233		33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236		36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
128	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Attachments – continued from page 2

Guide item		Yes	Schedule
130	Is the corporation subject to Part XIII.1 tax?		92 *
153	Is the corporation claiming a film or video production services tax credit refund?		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
44	Did the corporation have any controlled foreign affiliates?		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?		T1135
44	Did the corporation transfer or loan property to a non-resident trust?		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		T1174
—	Is the corporation claiming the BC mining exploration tax credit?		421
—	Is the corporation claiming the BC SR&ED tax credit?		T666

Additional information

Is the corporation inactive? 280 1 Yes ☐ 2 No ☒ X

Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers) 281 1 Yes ☐ 2 No ☒ X

What is the corporation's major business activity? (Only complete if *Yes* was entered at line 281.) 282

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	ELECTRIC POWER DISTR	285	100%
286		287	0%
288		289	0%

Did the corporation immigrate to Canada during the taxation year? 291 1 Yes ☐ 2 No ☒ X

Did the corporation emigrate from Canada during the taxation year? 292 1 Yes ☐ 2 No ☒ X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300 -73,336	A
Deduct: Charitable donations from Schedule 2	311	0		
Gifts to Canada, a province, or a territory from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0		
Part VI.1 tax deduction from Schedule 43*	325	0		
Non-capital losses of preceding taxation years from Schedule 4	331	0		
Net-capital losses of preceding taxation years from Schedule 4	332	0		
Restricted farm losses of preceding taxation years from Schedule 4	333	0		
Farm losses of preceding taxation years from Schedule 4	334	0		
Limited partnership losses of preceding taxation years from Schedule 4	335	0		
Taxable capital gains or taxable dividends allocated from a central credit union	340	0		
Prospector's and grubstaker's shares	350	0		
Subtotal		0	0	B
Subtotal (amount A minus amount B) (if negative, enter "0")			0	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions			355 0	D
Taxable income (amount C plus amount D)			360 0	
Income exempt under paragraph 149(1)(t)			370 0	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			0	Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 ..... 400 0 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... 405 0 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

200,000 x (Number of days in the taxation year before 2003 / Number of days in the taxation year) 0 / 365 = ... 0 1

225,000 x (Number of days in the taxation year in 2003 / Number of days in the taxation year) 365 / 365 = ... 225,000 2

250,000 x (Number of days in the taxation year in 2004 / Number of days in the taxation year) 0 / 365 = ... 0 3

300,000 x (Number of days in the taxation year in 2005 / Number of days in the taxation year) 0 / 365 = ... 0 3.1

Add amounts at lines 1, 2, 3, and 3.1 225,000 4

Business limit (see notes 1 and 2 below) ..... 410 225,000 C

Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C 225,000 x 415*** 0 D / 11,250 = ... 0 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 225,000 F

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F ..... 430 0 G
(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus $10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 225,000 x (300,000 / line 4 above) = 300,000 A

Net active business income (amount from line 400) * ..... 0 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I tax ..... 0 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 0 0 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 K

Total of amounts G, H, I, J, and K ..... 0 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 M

Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] ..... 435 0 A

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365/365	x 1% =	0 B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0/365	x 2% =	0 C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0/365	x 3% =	0 C.1

Resource deduction – total of amounts B, C, and C.1 ..... 438 0 D
(enter amount D on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 0 E

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	F
Amount QQ from Part 13 of Schedule 27		0	G
Taxable resource income from line 435 above		0	H
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	I
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0	J
Aggregate investment income from line 440 of page 6		0	K
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0	L
Total of amounts F, G, H, I, J, K, and L		0	0 M

Amount E minus amount M (if negative, enter "0") ..... 0 N

Amount N	0	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0/365	x 1% =	0
Amount N	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0/365	x 3% =	0 O
Amount N	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365/365	x 5% =	0 P
Amount N	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0/365	x 7% =	0 Q

General tax reduction for Canadian-controlled private corporations - total of amounts year 2001, O, P, and Q ..... 0 R
(enter amount R on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	T
Amount QQ from Part 13 of Schedule 27		0	U
Taxable resource income from line 435 above		0	V
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	W
Total of amounts T, U, V, and W		0	0 X

Amount S minus amount X (if negative, enter "0") ..... 0 Y

Amount Y	0	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0/365	x 1% =	0
Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0/365	x 3% =	0 Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365/365	x 5% =	0 AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0/365	x 7% =	0 BB

General tax reduction - total of amounts year 2001, Z, AA, and BB ..... 0 CC
(enter amount CC on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7) .... 440 0 x 26 2/3% = ... 0 A

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income (amount O from Part 1 of Schedule 7) ..... 445 0 x 9 1/3% = ... 0

(if negative, enter "0") 0 0 B

Amount A minus amount B (if negative, enter "0") ..... 0 C

Taxable income from line 360 on page 3 0

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is less 0

Foreign non-business income tax credit from line 632 of page 7 ..... 0 x 25/9 = 0

Foreign business income tax credit from line 636 of page 7 ..... 0 x 3 = 0

0

0

0 x 26 2/3% = 0 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 0

Deduct: Corporate surtax from line 600 of page 7 0

Net amount ..... 0 0 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is less ..... 450 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0

Deduct: Dividend refund for the previous taxation year 465 0

0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 0

0 B

Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B 485 0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 ..... 0 x 1/3 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8) 0

Part I tax

Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 0 A

Corporate surtax calculation

Base amount from line A above 0 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 0 2

Investment corporation deduction from line 620 below 0 3

Federal logging tax credit from line 640 below 0 4

Federal qualifying environmental trust tax credit from line 648 below 0 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3 ... 0 a

28.00% of taxed capital gains ..... 0 b

Part I tax otherwise payable ..... 0 c

(line A **plus** lines C and D **minus** line F)

0 6

Total of lines 2 to 6 ..... 0 7

Net amount (line 1 minus line 7) 0 8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 0 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 ..... 0 i

Taxable income from line 360 on page 3 0

Deduct:

Amount on lines 400, 405, 410, or 425 of page 4, whichever is less .. 0

Net amount ..... 0 0 ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 0 E

Deduct:

Small business deduction from line 430 of page 4 ..... 0 9

Federal tax abatement 608 0

Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 ..... 616 0

Investment corporation deduction 620 0

(taxed capital gains 624 0)

Additional deduction – credit unions from Schedule 17 ..... 628 0

Federal foreign non-business income tax credit from Schedule 21 ..... 632 0

Federal foreign business income tax credit from Schedule 21 ..... 636 0

Accelerated tax reduction from amount N of page 4 ..... 637 0

Resource deduction from line 438 of page 5 ..... 0 10

General tax reduction for CCPCs from amount R of page 5 ..... 638 0

General tax reduction from amount CC of page 5 ..... 639 0

Federal logging tax credit from Schedule 21 ..... 640 0

Federal political contribution tax credit 644 0

Federal political contributions 646 0

Federal qualifying environmental trust tax credit 648 0

Investment tax credit from Schedule 31 ..... 652 0

Subtotal 0 0 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 0 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		0

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0	
		0	0
Total tax payable	770		0 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	0	
Federal capital gains refund from Schedule 18	788	0	
Federal qualifying environmental trust tax credit refund	792	0	
Canadian film or video production tax credit refund from Form T1131	796	0	
Film or video production services tax credit refund from Form T1177	797	0	
Tax withheld at source	800	0	
Total payments on which tax has been withheld	801	0	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0	
Provincial and territorial capital gains refund from Schedule 18	808	0	
Provincial and territorial refundable tax credits from Schedule 5	812	0	
Royalties deductible under Syncrude Remission Order	815	0	
Tax remitted under Syncrude Remission Order	816	0	
Tax instalments paid	840	0	
Total credits	890	0	0 B
Balance (line A minus line B)			0

Refund code 894 0 Overpayment 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.
We do not charge or refund a difference of $2 or less.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 _____ Branch number

914 _____ Institution number 918 _____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 ABI-RASHED Last name in block letters 951 RAMONA First name in block letters 954 VICE-PRESIDENT FINANCE Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 _____ Date (yyyy/mm/dd) _____ Signature of the authorized signing officer of the corporation 956 905-668-5878 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☒ 2 No ☐

958 _____ Name in block letters 959 _____ Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

SCUGOG HYDRO ENERGY CORPORATION Sch. 001
Account/Business No.: 870517182RC0001 Year Ended: 2003-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements			-82,405 A

Additions:

Amortization of tangible assets	104	110,360	
Subtotal of additions		110,360	110,360

Other Additions:

Miscellaneous Other Additions:

600	ADDBACK RE S. 12 (1)(x)	290	41,693	
601	PARTNERSHIP INCOME	291	2,686	
Subtotal of Other Additions		199	44,379	44,379
	Total Additions	500	154,739	154,739

Deductions:

Capital cost allowance from Schedule 8	403	103,977	
Subtotal of Deductions		103,977	103,977

Other Deductions:

Miscellaneous Other Deductions:

700	DEDUCT RE: ELECTION UNDER S. 13(7.4)	390	41,693	
Subtotal of Other Deductions		499	41,693	41,693
	Total Deductions	510	145,670	145,670

Net income (loss) for income tax purposes (enter on line 300 on the T2 return)	-73,336

Scugog Hydro Energy Corporation

ELECTION UNDER SUBSECTION 13(7.4)

The company hereby elects to have subsection 13(7.4) of the Income Tax Act apply to reduce the capital cost of depreciable property of Class 1 acquired in the taxation year by an amount of $41,693 received in the taxation year in respect of that property that would otherwise be included in income under paragraph 12(1)(x).

_____

Authorized Signing Officer

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

Part 1 - Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-73,336
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	0	0
Subtotal (if positive, enter "0")		-73,336
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions		0
Subtotal		-73,336
Add: (decrease a loss)		
Current-year farm loss		0
Current-year non-capital loss (if positive, enter "0")		-73,336

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		522,557	
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of taxation year	102	522,557	
Add: Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	73,336	595,893

Continuity of non-capital losses and request for a carryback (cont'd)

Deduct:

Amount applied against taxable income (enter on line 331 of the T2 return)	130	0	
Amount applied against taxable dividends subject to Part IV tax	135	0	
Section 80 - Adjustments for forgiven amounts	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate		0	
Other adjustments	150	0	0
		Subtotal	595,893

Deduct - Request to carry back non-capital loss to:

First preceding taxation year to reduce taxable income	901	0	
Second preceding taxation year to reduce taxable income	902	0	
Third preceding taxation year to reduce taxable income	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913	0	0
Non-capital losses - Closing balance	180		595,893

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 Yes [ ]

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0	
Current-year capital loss (from Schedule 6 calculation)	210	0	0
Add:			
Allowable business investment loss expired as non-capital loss	0 x 4/3	220	0
		Subtotal	0

Deduct:

Amount applied against current-year capital gain (see note 1)	225	0	
Section 80 - Adjustments for forgiven amounts	240	0	
Other adjustments	250	0	0
		Subtotal	0

Part 2 - Capital losses (cont'd)

Continuity of capital losses and request for a carryback (cont'd)

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year	0	951	0	
Second preceding taxation year	0	952	0	
Third preceding taxation year	0	953	0	0
Capital losses - Closing balance		280		0

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.
Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine by dividing the total taxable capital gain by the total capital gain.

Note 1
On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2
Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 3 - Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year		0	
Deduct: Farm loss expired after 10 taxation years	300	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0
		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0
Farm losses - Closing balance	380		0

Restricted Farm Loss Determination:
Is the corporation exempt from the restricted farm loss rules?
(A reply of "NO" triggers the restricted farm loss rules.) ..... [Y/N] [Y]

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business			485		0 A
Minus the deductible farm loss:					
$2,500 plus B or C, whichever is less				2,500	
(Amount A above	0 - $2,500) divided by 2	=	0 B		
			6,250 C	0	2,500
Current-year restricted farm loss (enter this amount on line 410)					0

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0	
Deduct: Restricted farm loss expired after 10 taxation years	400	0	
Restricted farm losses at beginning of taxation year	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0
		Subtotal	0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0
Restricted farm losses - Closing balance	480		0

Note
The total losses for the year from all farming businesses are computed without including any scientific research expenses.

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			0
Deduct: Listed personal property loss expired after seven taxation years	500		0
Listed personal property losses at beginning of taxation year	502		0
Add: Current-year listed personal property loss (from Schedule 6)	510		0
		Subtotal	0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0
		Subtotal	0

Part 5 - Listed personal property losses (cont'd)

Continuity of listed personal property loss and request for a carryback (cont'd)

Deduct - Request to carry back listed personal property loss to:

First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance	580		0

Part 6 - Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year
Current	N/A	73,336	0	0	N/A	0	73,336
2002	376,923	N/A	0	N/A	0	0	376,923
2001	145,634	N/A	0	N/A	0	0	145,634
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0 *
Total	522,557	73,336	0	0	0	0	595,893

Farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year
Current	N/A	0	0	0	N/A	0	0
2002	0	N/A	0	N/A	0	0	0
2001	0	N/A	0	N/A	0	0	0
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0
1996	0	N/A	0	N/A	0	0	0
1995	0	N/A	0	N/A	0	0	0
1994	0	N/A	0	N/A	0	0	0 *
Total	0	0	0	0	0	0	0

Restricted farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year
Current	N/A	0	0	0	N/A	N/A	0
2002	0	N/A	0	N/A	0	N/A	0
2001	0	N/A	0	N/A	0	N/A	0
2001	0	N/A	0	N/A	0	N/A	0
2000	0	N/A	0	N/A	0	N/A	0
1999	0	N/A	0	N/A	0	N/A	0
1998	0	N/A	0	N/A	0	N/A	0
1997	0	N/A	0	N/A	0	N/A	0
1996	0	N/A	0	N/A	0	N/A	0
1995	0	N/A	0	N/A	0	N/A	0
1994	0	N/A	0	N/A	0	N/A	0 *
Total	0	0	0	0	0	N/A	0

* This balance expires this year and will not be available next year

SCUGOG HYDRO ENERGY CORPORATION
Account/Business No.: 870517182RC0001 Year Ended: 2003-12-31

Sch. 008

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	773,396	89,568	-41,693	0	44,784	4	0	0	31,893	789,378
8	104,237	6,831	0	0	3,415	20	0	0	21,531	89,537
2	842,556	0	0	0	0	6	0	0	50,553	792,003
Total	1,720,189	96,399	-41,693	0	48,199		0	0	103,977	1,670,918

SCUGOG HYDRO ENERGY CORPORATION Sch. 050
Account/Business No.: 870517182RC0001 Year Ended: 2003-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
100	200	300	400	500
TOWNSHIP OF SCUGOG	NR		100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Ontario

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

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No

Ministry Use

Corporation's Legal Name *(including punctuation)*

SCUGOG HYDRO ENERGY CORPORATION

Ontario Corporations Tax Account No. (MOF)
1800289

Mailing Address

100 TAUNTON RD. EAST
P.O. BOX 59
WHITBY
ON CA L1N-5R8

This CT23 Return covers the Taxation Year
Start: year month day 2003-01-01
End: year month day 2003-12-31

Has the mailing address changed since last filed CT23 Return? [ ] Yes | Date of Change: year month day

Date of Incorporation or Amalgamation
year month day 1999-11-01

Registered/Head Office Address

100 TAUNTON RD. EAST
P.O. BOX 59
WHITBY
ON CA L1N-5R8

Ontario Corporation No. (MCBS)

Location of Books and Records

SAME AS ABOVE

CA

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter
870517182RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
RAMONA ABI-RASHED	905-668-5878	

Jurisdiction Incorporated: ONTARIO

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

ON CA -

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced: year month day 2000-10-31
Ceased: year month day
[ ] *Not Applicable*

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please [X] this box. Schedule(s) A and K are not required (MCBS).

[X] **No change**

Preferred Language/*Langue de préférence*
[X] English *anglais* [ ] French *français*

Ministry use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

RAMONA ABI-RASHED

Title: D [ ] Director O [X] Officer P [ ] Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2003-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 [X] 1 Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent) 100%

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity

2

1 [ ] Family Farm Corporation s.1 (2)
2 [ ] Family Fishing Corporation s.1 (2)
3 [ ] Mortgage Investment Corporation s.47
4 [ ] Credit Union s.51
5 [ ] Bank Mortgage Subsidiary s.61 (4)
6 [ ] Bank s.1 (2)
7 [ ] Loan and Trust Corporation s.61 (4)
8 [ ] Non-resident Corporation s.2(2)(a) or (b)
9 [ ] Non-resident Corporation s.2(2)(c)
10 [ ] Mutual Fund Corporation s.48
11 [ ] Non-resident owned investment Corporation s.49
12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
14 [ ] Bare Trustee Corporation
15 [ ] Branch of Non-resident s.63(1)
16 [ ] Financial institution prescribed by Regulation only
17 [ ] Investment Dealer
18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either
20 [ ] Producer and seller of steam for uses other than for the generation of electricity
21 [ ] Insurance Exchange s.74.4
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

Please "X" box(es) if applicable:

[ ] First Year of Filing

[ ] Amended Return

[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required

[ ] Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)

[ ] Final Taxation Year before Amalgamation

[ ] Floating Fiscal Year End

[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] Acquisition of Control fed s.249(4)

Date Control was acquired
year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[ ]	[X]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

Income Tax

DOLLARS ONLY

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	-73,336.
Subtract: Charitable donations	–		1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–		2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–		3	0.
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)	–		4	0.
Subtract: Federal Part VI.1 tax 0. X 9/3	–		5	0.
Subtract: Prior years' losses applied – Non-capital losses	–	From	704	0.
Net capital losses From 715 (page 16) 0. X inclusion rate 50.000000% =	–		714	0.
Farm losses	–	From	724	0.
Restricted farm losses	–	From	734	0.
Limited partnership losses	–	From	754	0.
Taxable Income (Non-capital loss)	=		10	-73,336.
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=		20	0.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	0.	x	30	100.0000% Ontario Allocation	x	12.5000%	x	Days after Sept. 30, 2001 and before Jan. 1, 2004 33	365	÷	Total Days 73	365	= +	29	0.
From 10 (or 20 if applicable)	0.	x	30	100.0000% Ontario Allocation	x	14.0000%	x	Days after Dec. 31, 2003 34	0	÷	Total Days 73	365	= +	32	0.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 0.

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [ ] Yes [X] No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))			50	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51	0.	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+	52	0.	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	–	53	0.	
	=		0.	54 0.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55	225,000.	

Ontario Business Limit Calculation

280,000 x	Days after Sept. 30, 2001 and before Jan. 1, 2003 28	0	÷ ** 365	= +	43	0.		
320,000 x	Days after Dec. 31, 2002 and before Jan. 1, 2004 31	365	÷ ** 365	= +	46	320,000.		
400,000 x	Days after Dec. 31, 2003 34	0	÷ ** 365	= +	47	0.		
Business Limit for Ontario purposes	43 + 46 + 47			=	44	320,000. x	*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated. 48 100.0000%	= 45 320,000.

Income eligible for the IDSBC From 30 100.0000% **** Ontario Allocation x 56 0. = 60 0.

Least of 50, 54 or 45

* **Note:** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** **Note:** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** **Note:** *For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.*

**** **Note:** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

			Days after		Total Days		
6.50 %	x	28	0 ÷	73	365	= + 79	.0000
7.00 %	x	31	365 ÷	73	365	= + 89	7.0000
8.50 %	x	34	0 ÷	73	365	= + 90	.0000

IDSBC Rate for Taxation Year 79 + 89 + 90 ..... = 78 7.0000

Claim ..... From 60 0. x From 78 7.0000 % ..... = 70 0.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in 114 below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** ***Short Taxation Years*** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** **Taxable Income of the corporation** ..... From 10 (or 20 if applicable) + 80 0.

If you are a member of an associated group (X) 81 (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
			+ 82 0.
			+ 83 .
			+ 84 .

Aggregate Taxable Income 80 + 82 + 83 + 84 , etc. ..... = 85 0.

Number of Days in Taxation Year

			Days after		Total Days		
Subtract: 280,000	x	28	0 ÷	73	365	= + 113	0.
320,000	x	31	365 ÷	73	365	= + 115	320,000.
400,000	x	34	0 ÷	73	365	= + 116	0.

113 + 115 + 116 = 320,000. ..... − 114 320,000.

(If negative, enter nil) ..... = 86 0.

Calculation of Specified Rate for Surtax

Number of Days in Taxation Year

			Days after		Total Days		
4.3330 %	x	28	0 ÷	73	365	= + 95	.0000
4.6670 %	x	31	365 ÷	73	365	= + 96	4.6670
4.6670 %	x	34	0 ÷	73	365	= + 97	.0000

Specified rate of surtax for Taxation Year 95 + 96 + 97 ..... = 94 4.6670

From 86 0. x From 94 4.6670 % ..... = 87 0.

From 87 0. x From 60 0. ÷ From 114 320,000. = 88 0.

Surtax Lesser of 70 or 88 ..... = 100 0

continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits ..... + 120 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 0.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 0. ÷ From 30 100.0000 % * Ontario Allocation ÷ From 78 7.0000 % = 121 0.

Lesser of 56 or 121 ..... + 122 0.

120 – 56 + 122 ..... = 130 0.

Taxable Income ..... + From 10 -73,336.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 0.

Add: Adjustments for Surtax on Canadian-controlled private corporations ..... + From 122 0.

Subtract: Taxable Income 10 -73,336. X Allocation % to jurisdictions outside Canada .0000 % ..... – 140 0.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses ..... – 141 0.

10 – 56 + 122 – 140 – 141 ..... = 142 0.

Claim

Number of Days in Taxation Year

143 0. Lesser of 130 or 142 X From 30 100.0000 % * Ontario Allocation X 1.5000 % X (Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 0 ÷ Total Days: 73 365) = + 154 0.

143 0. Lesser of 130 or 142 X From 30 100.0000 % * Ontario Allocation X 2.0000 % X (Days after Dec. 31, 2003: 34 0 ÷ Total Days: 73 365) = + 156 0.

M&P claim for taxation year 154 + 156 ..... = 160 0.

* ***Note:*** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule)*. ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 0.

continued on Page 7

Income Tax *continued from Page 6*
Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F + 192 0.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) **or** Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduate.
No. of Graduates From 6596 — 194 0
Eligible Credit From 6598 Summary Schedule G + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
*(Attach the original Certification/Claim Form received from the OMDC **or** the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation
(Attach original Claim/Certification Form.) + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* + 201 0.

Other (specify) _____ + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** = 225 0.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230 0.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 17.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets [249] exceeds $5,000,000 ***or*** Total Revenue [250] exceeds $10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

* Total Assets of the corporation	+ [240]	2,870,729.
* Total Revenue of the corporation	+ [241]	3,891,988.

If you are a member of an associated group (x) [242] [ ] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Total Revenue
		+ [243]	+ [244]	
		+ [245]	+ [246]	
		+ [247]	+ [248]	

Aggregate Total Assets [240] + [243] + [245] + [247] , etc.	= [249]	2,870,729.
Aggregate Total Revenue [241] + [244] + [246] + [248] , etc.	= [250]	3,891,988.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 18, 19 and 20 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 18.)*

Gross CMT Payable ..... CMT Base From [2135] 0. (If negative, enter zero) X From [30] 100.0000% (Ontario Allocation) x 4.0000% = [276] 0.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*	– [277]	0.
Subtract: Income Tax	– From [190]	0.
Net CMT Payable (If negative, enter Nil on Page 17.)	= [280]	0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 17.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 17*** and transfer [280] to ***Page 17***, and to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 20.***

CMT Credit Carryover available ..... From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)		+ From [190]	0.
Gross CMT Payable	+ From [276] 0.		
Subtract: Foreign Tax Credit for CMT purposes	– From [277] 0.		
If [276] – [277] is negative, enter NIL in [290]	= 0.	– [290]	0.
Income Tax eligible for CMT Credit		= [300]	0.
B. Income Tax (after deduction of specified credits)		+ From [230]	0.
Subtract: CMT credit used to reduce income taxes		– [310]	0.
Income Tax		= [320]	0.

Transfer to page 17

If A & B apply, [310] ***cannot exceed the lesser of*** [230], [300] ***and your CMT credit carryover available*** [2307].

If only B applies, [310] ***cannot exceed the lesser of*** [230] ***and your CMT credit carryover available*** [2307].

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 ***and*** 430 ***on page 10 then proceed to page 13.***
If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	+ 350	1,265,878.
Retained earnings (if deficit, deduct) (Int.B. 3012)	± 351	-701,888.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+ 352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+ 353	1,459,791.
Bank loans (Int.B. 3013)	+ 354	0.
Bankers acceptances (Int.B. 3013)	+ 355	0.
Bonds and debentures payable (Int.B. 3013)	+ 356	0.
Mortgages payable (Int.B. 3013)	+ 357	0.
Lien notes payable (Int.B. 3013)	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+ 359	0.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+ 360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+ 361	0.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+ 362	0.
Subtotal	= 370	2,023,781.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	− 371	2,873.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	− 372	0.
Total Paid-up Capital	= 380	2,020,908.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	− 381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	− 382	0.
Net Paid-up Capital	= 390	2,020,908.

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+ 404	0.
Loans and advances to unrelated corporations	+ 405	2,534.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+ 406	0.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+ 407	0.
Total Eligible Investments	= 410	2,534.

continued on Page 10

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289

Year Ended: 2003-12-31

Attached Sch.

CCA - 2002	119,632.00
AMORTIZATION - 2002	-111,708.00
	0.00
CCA - 2001	28,221.00
AMORTIZATION - 2001	-26,889.00
	0.00
CCA - 2003	103,977.00
AMORTIZATION - 2003	-110,360.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	2,873.00

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	+ 420	2,870,729.
Mortgages or other liabilities deducted from assets	+ 421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+ 422	0.
Subtract: Investment in partnership(s)/joint venture(s)	− 423	0.
Total Assets as adjusted	= 430	2,870,729.
Amounts in 360 and 361 (if deducted from assets)	+ 440	0.
Subtract: Amounts in 371, 372 and 381	− 441	2,873.
Subtract: Appraisal surplus if booked	− 442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	± 443	0.
Total Assets	= 450	2,867,856.

Investment Allowance (410 ÷ 450) X 390 ..... Not to exceed 410	= 460	1,786.
Taxable Capital 390 − 460	= 470	2,019,122.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	3,891,988.
Total Assets (as adjusted) From 430		2,870,729.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(Financial Institutions use calculations on page 13.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.**

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and if applicable, complete** Section D or Section E on page 12. **Note: if the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

B2. If taxable capital, 470 on page 10, is **$5,000,000 or less**, enter NIL in 550 on page 12 and complete the return from that point.

B3. If taxable capital, 470 on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount From 523 to 543 on page 12, and complete the return from that point.

+ From 470 2,019,122.
− 5,000,000.
= 471 0. X From 30 100.0000% X .3000% X 555 365 / ** 365 = + 523 0.

Ontario Allocation

Days in taxation year (366 if leap year)

Transfer to 543 on page 12 and complete the return from that point

***** If floating taxation year, refer to Guide.***

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. ☐ 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

***Calculation** Do NOT complete this calculation if ss.69(2.1) election is filed*

Taxable Capital From 470 on page 10 ..... + From 470 0.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
			+ 531 0.
			+ 532 .
			+ 533 .
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc.			= 540 0.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in 523 in section D on page 12, as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From 470 0. ÷ From 540 0. x 0 ..... = 541 0.
Transfer to 542 *in Section D on page 12*

S.s.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From 523 to 543, and complete the return from that point.

+ From 470	0.									
– 542	0.									
= 471	0.	x From 30	100.0000% Ontario Allocation	x .3000%	x 555	Days in taxation year 365 / ** 365 (366 if leap year)	.....	= + 523	0.	Total Capital Tax for the taxation year. Transfer to 543 and complete the return from that point

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From 470	0.	x From 30	100.0000% Ontario Allocation	x .3000%	.....	= + 561	0.		
– Capital tax deduction From 995 relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form					.....	– From 995	0.		
						= 562	0.		
Capital Tax 562	0.	x	555	Days in taxation year 365 / ** 365 (366 if leap year)	.....	= 563	0.	Transfer to 543 and complete the return from that point	

*** If floating taxation year, refer to Guide.***

Capital Tax *before application of specified credits*	= 543	0.
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	– 546	0.
Capital Tax 543 – 546 *(amount cannot be negative)*	= 550	0.

Transfer to Page 17

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. (Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1) x 0.6% x From [30] ____ % (Ontario Allocation) x [555] 0 ÷ ** 0 (366 if leap year) (Days in taxation year) = + [569] 0.

[570] 0. (Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount) x [571] 0.00 % (Capital Tax Rate *(Refer to Guide)*) x From [30] ____ % (Ontario Allocation) x [555] 0 ÷ ** 0 (366 if leap year) (Days in taxation year) = + [574] 0.

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) [569] + [574] ..... = [575] 0.

**** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.

Transfer to [543] on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – [589] 0.

Premium Tax [588] – [589] ..... = [590] 0.

Transfer to page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... ± 600 -73,336.
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	103,977.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	0.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	0.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days		
612 0.	x 5 ÷ 12.5000 x		33 365	÷ 73 365	= + 633	0.
612 0.	x 5 ÷ 14.0000 x	Days after Dec. 31, 2003	34 0	÷ 73 365	= + 634	0.

Total add-back amount for Management fees, etc. 633 + 634 .... = 0. + 613 0.

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161 ..... + 615 0.

Add any negative amount in 473 from Ont. CT23 Schedule 161 ..... + 616 0.

Federal allowable business investment loss ..... + 620 0.

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* ..... + 614 0.

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 ..... = 103,977. 640 103,977.
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	103,977.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	0.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	0.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) (***Applies*** only to electrical generating corporations.)	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	103,977.

Transfer to Page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From ± 600 -73,336.

Total of Additions ..... From = 640 103,977.

Sub Total of deductions on page 14 ..... From = 681 103,977.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

From 662 0. x (Gross-up of CCA: 100 / From 30 Ontario Allocation 100.0000) – From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: 665 0. x 30.00% x (100 / From 30 Ontario Allocation 100.0000) = 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: 667 0. x 100.00% x (100 / From 30 Ontario Allocation 100.0000) = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI) (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: 670 0. x 30.00% x (100 / From 30 Ontario Allocation 100.0000) = 671 0.

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: 672 0. x 15.00% x (100 / From 30 Ontario Allocation 100.0000) = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161 477 ..... + 679 0.

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) ..... + 677 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = 103,977. 680 103,977.

Net income (loss) for Ontario Purposes 600 + 640 – 680 ..... = 690 -73,336.

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 522,557	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 73,336	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 73,336	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 595,893	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1995-09-30				850 0	870 0
801 8th preceding taxation year 1996-09-30				851 0	871 0
802 7th preceding taxation year 1997-09-30				852 0	872 0
803 6th preceding taxation year 1998-09-30	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1999-09-30	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 2000-09-30	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2001-09-30	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2001-12-31	824 145,634	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2002-12-31	825 376,923	835 0	845 0	858 0	878 0
809 Current taxation year 2003-12-31	826 73,336	836 0	846 0	859 0	879 0
Total	829 595,893	839 0	849 0	869 0	889 0

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 73,336	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / **Taxation Year Ending** (year month day)				
i) 3rd preceding ____ 901	911 0	921 0	931 0	941 0
ii) 2nd preceding ____ 902	912 0	922 0	932 0	942 0
iii) 1st preceding ____ 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 73,336	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		0.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		0.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		0.
Subtract: Payments	– 960		0.
Capital Gains Refund (s.48)	– 965		0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	– 985		0.
Specified Tax Credits *(Refer to Guide)*	– 955		0.
Other (specify) ____	–		0.
Balance	= 970		0.
If payment due	Enclosed * 990		0.
If overpayment: Refund *(Refer to Guide)*	= 975		0.
Apply to (year month day)	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

RAMONA ABI-RASHED

Title

VICE-PRESIDENT FINANCE

Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

SCUGOG HYDRO ENERGY CORPORATION **Attached Sch.**
Corp. Tax Acct. No. : 1800289 **Year Ended:** **2003-12-31**

CCA - 2002		119,632.00
AMORTIZATION - 2002		-111,708.00
		0.00
CCA - 2001		28,221.00
AMORTIZATION - 2001		-26,889.00
		0.00
CCA - 2003		103,977.00
AMORTIZATION - 2003		-110,360.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	2,873.00

Ontario

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2003-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

NON-CURRENT LIABILITIES		+	1,418,377
CURRENT PORTION OF CUSTOMER DEPOSITS		+	15,618
CUSTOMER CREDIT BALANCES		+	23,929
		+	0
PARTNERSHIP CAPITAL		+	0
CURRENT PORTION OF FUNDING ADVANCES	50,000	+	0
DEFERRED REVENUE	90,630	+	0
FUNDING ADVANCES	326,216	+	0
		+	0
TOTAL	466,846	+	0
PARTNERSHIP SHARE	x 0.4%	+	1,867
		+	0
		+	0
		+	0
		+	0
		+	0
		+	0
		+	0
		+	0
		+	0
		+	0
		+	0
		+	0
Total *Transfer to* 353 *of the CT23*		=	1,459,791

SCUGOG HYDRO ENERGY CORPORATION
Corp. Tax Acct. No. : 1800289

Year Ended: 2003-12-31

Ont. Sch. 008

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	773,396	89,568	-41,693	0	821,271	44,784	776,487	4	0	0	31,893	789,378
8	104,237	6,831	0	0	111,068	3,415	107,653	20	0	0	21,531	89,537
2	842,556	0	0	0	842,556	0	842,556	6	0	0	50,553	792,003
Total	1,720,189	96,399	-41,693	0	1,774,895	48,199	1,726,696		0	0	103,977	1,670,918
							Enter in boxes		[650]	[650]	[650] on the CT23	

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

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Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

- AMENDED -

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 Do not use this area

Identification

Business Number (BN) **001** 87051 7182 RC0001

Corporation's name

002 SCUGOG HYDRO ENERGY CORPORATION

Has the corporation changed its name since the last time we were notified? **003** 1 Yes ☐ 2 No ☒

If *Yes*, do you have a copy of the articles of amendment? . . . **004** 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? . . . . . **010** 1 Yes ☒ 2 No ☐

011 55 TAUNTON ROAD EAST

012

City	Province, territory, or state
015 AJAX	**016** ON
Country (other than Canada)	**Postal code/ZIP code**
017	**018** L1T 3V3

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? . . . . . **020** 1 Yes ☐ 2 No ☒

021 c/o

022

023

City	Province, territory, or state
025	**026**
Country (other than Canada)	**Postal code/ZIP code**
027	**028**

Location of books and records

Has the location of books and records changed since the last time we were notified? . . . . . **030** 1 Yes ☐ 2 No ☒

031 SAME AS ABOVE

032

City	Province,territory, or state
035	**036**
Country (other than Canada)	**Postal code/ZIP code**
037	**038**

040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change . . . . . **043** _____ YYYY MM DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 2004-01-01 YYYY MM DD	**061** 2004-12-31 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? **063** 1 Yes ☐ 2 No ☒

If *Yes*, provide the date control was acquired . . . . . **065** _____ YYYY MM DD

Is the corporation a professional corporation that is a member of a partnership? . . . . . **067** 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? . . . . . **070** 1 Yes ☐ 2 No ☒

Amalgamation? . . . . . **071** 1 Yes ☐ 2 No ☒

If *Yes*, complete lines 030 to 038 and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? . . . . . **072** 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? . . . . . **076** 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? . . . . . **078** 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *No*, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . . **082** 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

		Yes	Schedule
Is the corporation related to any other corporations?	150		9
Does the corporation have any non-resident shareholders?	151		19
Is the corporation an associated Canadian-controlled private corporation?	160		23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the corporation subject to gross Part I.3 tax?	233		33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236		36
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		92 *

*** We do not print this schedule.**

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256		T1134-A
Did the corporation have any controlled foreign affiliates?	258		T1134-B
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174

Additional information

Is the corporation inactive?	280	1 Yes	2 No X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes	2 No X

What is the corporation's major business activity? 282 _____
(Only complete if *Yes* was entered at line 281.)

If the major business activity involves the resale of goods, show whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	ELECTRIC POWER DISTRIBUTOR	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes	2 No X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300		398,793	A
Deduct: Charitable donations from Schedule 2	311			
Gifts to Canada, a province, or a territory from Schedule 2	312			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction from Schedule 43 *	325			
Non-capital losses of preceding taxation years from Schedule 4	331	398,793		
Net capital losses of preceding taxation years from Schedule 4	332			
Restricted farm losses of preceding taxation years from Schedule 4	333			
Farm losses of preceding taxation years from Schedule 4	334			
Limited partnership losses of preceding taxation years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal		398,793 ▶	398,793	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360			
Income exempt under paragraph 149(1)(t)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 ..... **400** 398,793 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount on line 632* on page 7, **minus** 3 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt form Part I tax ..... **405** B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

225,000 x (Number of days in the taxation year in 2003 / Number of days in the taxation year 366) = 1

250,000 x (Number of days in the taxation year in 2004 366 / Number of days in the taxation year 366) = 250,000 2

300,000 x (Number of days in the taxation year after 2004 / Number of days in the taxation year 366) = 3

Add amounts at lines 1, 2, and 3 250,000 4

Business limit (see notes 1 and 2 below) ..... **410** 250,000 C

Notes:
1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C 250,000 x (**415** *** / 11,250) D = ... E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") ..... **425** 250,000 F

Small business deduction – 16.00 % of whichever amount is the least: A, B, C, or F ..... **430** G

(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

***** Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada **minus** $10,000,000).
- If the corporation is not associated with any corporations in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporations in the current taxation year, but was associated in the preceding taxation year, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 250,000 x (300,000 / line 4 above) = 300,000 A

Net active business income (amount from line 400) * ..... 398,793 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I Tax C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... D

Amount C **minus** amount D (if negative, enter "0") ..... ▶ E

Amount A, B, or E above, whichever is less ..... F

Amount Z from Part 9 of Schedule 27 ..... x 100 / 7 = G

Amount QQ from Part 13 of Schedule 27 ..... H

Taxable resource income from line 435 above I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less K

Total of amounts G, H, I, J, and K ..... ▶ L

Amount F **minus** amount L (if negative, enter "0") ..... M

Accelerated tax reduction – 7.00 % of amount M (enter amount N on line 637 of page 7) ..... N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] ..... 435 _____ A

Amount A _____ x Number of days in the taxation year in 2004 / Number of days in the taxation year 366/366 x 2 % = _____ B

Amount A _____ x Number of days in the taxation year in 2005 / Number of days in the taxation year ____/366 x 3 % = _____ C

Amount A _____ x Number of days in the taxation year in 2006 / Number of days in the taxation year ____/366 x 5 % = _____ D

Amount A _____ x Number of days in the taxation year after 2006 / Number of days in the taxation year ____/366 x 7 % = _____ E

Resource deduction – total of amounts B, C, D, and E ..... 438 _____ F
(enter amount F on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... _____ A

Amount Z from Part 9 of Schedule 27 ..... _____ x 100 / 7 = _____ B
Amount QQ from Part 13 of Schedule 27 ..... _____ C
Taxable resource income from line 435 above ..... _____ D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ E
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least ..... _____ F
Aggregate investment income from line 440 of page 6 ..... _____ G
Amount used to calculate the accelerated tax reduction (amount M of page 4) ..... _____ H
Total of amounts B, C, D, E, F, G, and H ..... _____ ▶ _____ I

Amount A **minus** amount I (if negative, enter "0") ..... _____ J

Amount J _____ x Number of days in the taxation year after 2003 / Number of days in the taxation year 366/366 x 7 % = _____ K

General tax reduction for Canadian-controlled private corporations – amount K ..... _____ L
(enter amount L on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation

Taxable income from line 360 on page 3 ..... _____ M

Amount Z from Part 9 of Schedule 27 ..... _____ x 100 / 7 = _____ N
Amount QQ from Part 13 of Schedule 27 ..... _____ O
Taxable resource income from line 435 above ..... _____ P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ Q
Total of amounts N, O, P, and Q ..... _____ ▶ _____ R

Amount M **minus** amount R (if negative, enter "0") ..... _____ S

Amount S _____ x Number of days in the taxation year after 2003 / Number of days in the taxation year 366/366 x 7 % = _____ T

General tax reduction – amount T ..... _____ U
(enter amount U on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7) ..... 440 _____ x 26 2 / 3 % = ... _____ A

Foreign non-business income tax credit from line 632 on page 7 ..... _____

Deduct:

Foreign investment income (amount O from Part 1 of Schedule 7) ..... 445 _____ x 9 1 / 3 % = _____
(if negative, enter "0") _____ ▶ _____ B

Amount A **minus** amount B (if negative, enter "0") ..... _____ C

Taxable income from line 360 on page 3 ..... _____

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is the least ..... _____

Foreign non-business income tax credit from line 632 of page 7 _____ x 25 / 9 = _____

Foreign business income tax credit from line 636 of page 7 _____ x 3 = _____
_____ ▶ _____
x 26 2 / 3 % = _____ D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 of page 8) _____
Deduct: Corporate surtax from line 600 of page 7 ..... _____
Net amount ..... _____ ▶ _____ E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least ..... 450 _____ F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 _____
Deduct: Dividend refund for the previous taxation year ..... 465 _____
_____ ▶ _____ G

Add the total of:

Refundable portion of Part I tax from line 450 above ..... _____
Total Part IV tax payable from line 360 of Schedule 3 ..... _____
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation ... 480 _____
_____ ▶ _____ H

Refundable dividend tax on hand at the end of the taxation year – Amount G **plus** amount H ..... 485 _____

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 of Schedule 3 ..... _____ x 1 / 3 _____ I

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... _____ J

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8) ..... _____

Part I tax

Base amount of Part I tax – 38.00 % of taxable income (line 360 or amount Z, whichever applies) from page 3 . . . . . 550 _____ A

Corporate surtax calculation

Base amount from line A above . . . . . _____ 1

Deduct:

10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 . . . _____ 2

Investment corporation deduction from line 620 below . . . . . _____ 3

Federal logging tax credit from line 640 below . . . . . _____ 4

Federal qualifying environmental trust tax credit from line 648 below . . . . . _____ 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is the least:

28.00 % of taxable income from line 360 of page 3 . . . . _____ a

28.00 % of taxed capital gains . . . . . _____ b

Part I tax otherwise payable . . . . . _____ c

(line A **plus** lines C and D **minus** line F)

_____ 6

Total of lines 2 to 6 . . . . . _____ 7

Net amount (line 1 **minus** line 7) . . . . . _____ 8

Corporate surtax – 4.00 % of the amount on line 8 . . . . . 600 _____ B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 . . . . . 602 _____ C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(if it was a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 . . . . . _____ i

Taxable income from line 360 on page 3 . . . . . _____

Deduct:

Amount on line 400, 405, 410, or 425 of page 4, whichever is the least . . . . . _____

Net amount . . . . . _____ ▶ _____ ii

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii . . . . 604 _____ D

Subtotal (add lines A, B, C, and D) _____ E

Deduct:

Small business deduction from line 430 of page 4 . . . . . _____ 9

Federal tax abatement . . . . . 608 _____

Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 . . . . . 616 _____

Investment corporation deduction . . . . . 620 _____

(taxed capital gains 624 _____)

Additional deduction – credit unions from Schedule 17 . . . . . 628 _____

Federal foreign non-business income tax credit from Schedule 21 . . . . . 632 _____

Federal foreign business income tax credit from Schedule 21 . . . . . 636 _____

Accelerated tax reduction from amount N on page 4 . . . . . 637 _____

Resource deduction from line 438 on page 5 . . . . . _____ 10

General tax reduction for CCPCs from amount R on page 5 . . . . . 638 _____

General tax reduction from amount U on page 5 . . . . . 639 _____

Federal logging tax credit from Schedule 21 . . . . . 640 _____

Federal political contribution tax credit . . . . . 644 _____

Federal political contributions 646 _____

Federal qualifying environmental trust tax credit . . . . . 648 _____

Investment tax credit from Schedule 31 . . . . . 652 _____

Subtotal _____ ▶ _____ F

Part I tax payable – Line E **minus** line F (enter amount G on line 700 of page 8) . . . . . _____ G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax payable from Schedule 46	708	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

Provincial or territorial jurisdiction 750 Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec, Ontario, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order	816	
Tax instalments paid	840	
Total credits	890	B

Refund code 894 ____ Overpayment ____

Balance (line A **minus** line B) ____

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid ____

Enclosed payment 898 ____

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 ____ Branch number

914 ____ Institution number 918 ____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 CLARK (Last name) 951 DAVID (First name) 954 TREASURER (Position, office, or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 2006-01-03 (Date (yyyy/mm/dd)) ____ Signature of the authorized signing officer of the corporation

956 (905) 427-9870 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☒ 2 No ☐

958 ____ Name

959 ____ Telephone number

Language of correspondence – Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. Indiquer la langue de correspondance de votre choix. 1 English / Anglais ☒ 2 Français / French ☐

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2004-12-31

Identification of the imported corporation from the GIFI file

Name of the corporation . . . _____

Balance Sheet

Account	Description	GIFI		Amount	Prior year
Assets					
	Total current assets	1599	+	1,347,812	
	Total tangible capital assets	2008	+	3,704,042	
	Total accumulated amortization of tangible capital assets	2009	–	2,218,407	
	Total intangible capital assets	2178	+	336,591	
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+		
	*Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	3,170,038	
Liabilities					
	Total current liabilities	3139	+	2,169,310	
	Total long-term liabilities	3450	+	51,156	
	*Subordinated debt	3460	+		
	*Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	2,220,466	
Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	949,572	
	Total liabilities and shareholder equity	3640	=	3,170,038	
Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	-316,306	

* Generic item

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GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2004-12-31

Income Statement

Description **GIFI**

Operating name . . . . . 0001 _____
Description of the operation . . 0002 _____
Sequence Number 0003 01

Account	Description	GIFI		Amount	Prior year
Income statement information					
	Total sales of goods and services	8089	+	4,070,097	
	Cost of sales	8518	–	3,497,682	
	Gross profit/loss	8519	=	572,415	
	Cost of sales	8518	+	3,497,682	
	Total operating expenses	9367	+	653,644	
	Total expenses (mandatory field)	9368	=	4,151,326	
	Total revenue (mandatory field)	8299	+	4,536,908	
	Total expenses (mandatory field)	9368	–	4,151,326	
	Net non-farming income	9369	=	385,582	
Farming income statement information					
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	385,582	
Extraordinary items and income (linked to Schedule 140)					
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–		
	Deferred income tax provision	9995	–		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	385,582	

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SCHEDULE 141

NOTES CHECKLIST

Corporation's name	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2004-12-31

- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide.*
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner information

Does the accounting practitioner have a professional designation? . . . . . 095 1 Yes [X] 2 No [ ]

Is the accounting practitioner connected* with the corporation? . . . . . 097 1 Yes [X] 2 No [ ]

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note
If the accounting practitioner does not have a professional designation **or** is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: 198

- Completed an auditor's report . . . . . 1 [ ]
- Completed a review engagement report . . . . . 2 [ ]
- Conducted a compilation engagement . . . . . 3 [ ]

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation? . . . . . 099 1 Yes [ ] 2 No [ ]

Part 4 – Other information

Were notes to the financial statements prepared? . . . . . 101 1 Yes [X] 2 No [ ]

If *Yes*, complete lines 102 to 107 below:

- Are any values presented at other than cost? . . . . . 102 1 Yes [ ] 2 No [X]
- Has there been a change in accounting policies since the last return? . . . . . 103 1 Yes [ ] 2 No [X]
- Are subsequent events mentioned in the notes? . . . . . 104 1 Yes [ ] 2 No [X]
- Is re-evaluation of asset information mentioned in the notes? . . . . . 105 1 Yes [ ] 2 No [X]
- Is contingent liability information mentioned in the notes? . . . . . 106 1 Yes [ ] 2 No [X]
- Is information regarding commitments mentioned in the notes? . . . . . 107 1 Yes [X] 2 No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . 108 1 Yes [ ] 2 No [X]

If *Yes*, complete line 109 below:

- Are you filing financial statements of the joint venture(s) or partnership(s)? . . . . . 109 1 Yes [ ] 2 No [ ]

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SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2004-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Net income (loss) after taxes and extraordinary items per financial statements				385,582 A
Add:				
Amortization of tangible assets	104	112,500		
Subtotal of additions		112,500 ▶		112,500
Other additions:				
Miscellaneous other additions:				
600 ADDBACK RE S. 12 (1) (X)	290	11,407		
601 PARTNERSHIP INCOME	291	1,218		
Subtotal of other additions	199	12,625 ▶		12,625
Total additions	500	125,125 ▶		125,125
Deduct:				
Capital cost allowance from Schedule 8	403	100,507		
Subtotal of deductions		100,507 ▶		100,507
Other deductions:				
Miscellaneous other deductions:				
700 DEDUCT RE: ELECTION UNDER S. 13 (7.4)	390	11,407		
Subtotal of other deductions	499	11,407 ▶		11,407
Total deductions	510	111,914 ▶		111,914
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				398,793

T2 SCH 1 E (01)

Canada

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SCHEDULE 4

CORPORATION LOSS CONTINUITY AND APPLICATION

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2004-12-31

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to previous years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For information on these losses, see the *T2 Corporation Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		398,793
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)		
Taxable dividends deductible under sections 112, 113, or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		
Subtotal (if positive, enter "0")		
Deduct: (increase a loss)		
Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions		
Subtotal		
Add: (decrease a loss)		
Current-year farm loss		
Current-year non-capital loss (if positive, enter "0")		

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		595,893	
Deduct: Non-capital loss expired *	100		
Non-capital losses at beginning of taxation year	102	595,893	
Add: Non-capital losses transferred on an amalgamation or the windup of a subsidiary corporation	105		
Current-year non-capital loss (from calculation above)	110		595,893
Deduct:			
Amount applied against taxable income (enter on line 331 of the T2 return)	130	398,793	
Amount applied against taxable dividends subject to Part IV tax	135		
Section 80 – Adjustments for forgiven amounts	140		
Subsection 111(10) – Adjustments for fuel tax rebate			
Other adjustments	150		398,793
		Subtotal	197,100
Deduct – Request to carry back non-capital loss to:			
First preceding taxation year to reduce taxable income	901		
Second preceding taxation year to reduce taxable income	902		
Third preceding taxation year to reduce taxable income	903		
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911		
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912		
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913		
Non-capital losses – Closing balance	180		197,100

* A non-capital loss expires as follows:

- After **7** taxation years if it arose in a taxation year ending before March 23, 2004; or
- After **10** taxation years if it arose in a taxation year ending after March 22, 2004.

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator **190** Yes ☐

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200		
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation	205		
Current-year capital loss (from Schedule 6 calculation)	210		
Add:			
Allowable business investment loss expired as non-capital loss _____ x 4/3	220		
		Subtotal	
Deduct:			
Amount applied against current-year capital gain (see Note 1)	225		
Section 80 – Adjustments for forgiven amounts	240		
Other adjustments	250		
		Subtotal	

Deduct – Request to carry back capital loss to: (see Note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year		951		
Second preceding taxation year		952		
Third preceding taxation year		953		
Capital losses – Closing balance		280		

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by 50%.

Note 2

Enter on lines 225, 951, 952, or 953, whichever applies, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year			
Deduct: Farm loss expired after 10 taxation years	300		
Farm losses at beginning of taxation year	302		
Add: Farm losses transferred on an amalgamation or the windup of a subsidiary corporation	305		
Current-year farm loss	310		
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330		
Amount applied against taxable dividends subject to Part IV tax	335		
Section 80 – Adjustments for forgiven amounts	340		
Other adjustments	350		
		Subtotal	

Deduct – Request to carry back farm loss to:

First preceding taxation year to reduce taxable income	921		
Second preceding taxation year to reduce taxable income	922		
Third preceding taxation year to reduce taxable income	923		
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931		
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932		
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933		
Farm losses – Closing balance	380		

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485		A
Minus the deductible farm loss:			
$2,500 plus B or C, whichever is less		$ 2,500	
(Amount A above _____ – $2,500) divided by 2 =		_____ B	
		$ 6,250 C	2,500
Current-year restricted farm loss (enter this amount on line 410 of page 3)			

Part 4 – Restricted farm losses (continued)

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year			
Deduct: Restricted farm loss expired after 10 taxation years	400		
Restricted farm losses at beginning of taxation year	402		
Add: Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation	405		
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410		
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430		
Section 80 – Adjustments for forgiven amounts	440		
Other adjustments	450		
Subtotal			
Deduct – Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941		
Second preceding taxation year to reduce farming income	942		
Third preceding taxation year to reduce farming income	943		
Restricted farm losses – Closing balance		480	

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			
Deduct: Listed personal property loss expired after seven taxation years		500	
Listed personal property losses at beginning of taxation year		502	
Add: Current-year listed personal property loss (from Schedule 6)		510	
Subtotal			
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530		
Other adjustments	550		
Subtotal			
Deduct – Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961		
Second preceding taxation year to reduce listed personal property gains	962		
Third preceding taxation year to reduce listed personal property gains	963		
Listed personal property losses – Closing balance		580	

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership identifier 600	Fiscal period ending 602	Corporation's share of limited partnership loss 604	Corporation's at-risk amount 606	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses 608	Column 4 **minus** column 5 If negative, enter "0".	Current-year limited partnership losses Column 3 - 6 620

Total (enter this amount on line 222 of Schedule 1)

Limited partnership losses from prior taxation years that may be applied in the current year

1	2	3	4	5	6	7
Partnership identifier 630	Fiscal period ending 632	Limited partnership losses at end of preceding taxation year 634	Corporation's at-risk amount 636	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses 638	Column 4 **minus** column 5 If negative, enter "0".	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6 650

Continuity of limited partnership losses that can be carried forward to future taxation years

Partnership identifier 660	Limited partnership losses at end of preceding taxation year 662	Limited partnership losses transferred on an amalgamation or the windup of a subsidiary 664	Current-year limited partnership losses (from column 620) 670	Limited partnership losses applied (cannot exceed column 650) 675	Limited partnership losses closing balance (662 + 664 + 670 - 675) 680

Total (enter this amount on line 335 of the T2 return)

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year
Current	N/A				N/A		
2003	73,336	N/A		N/A			73,336
2002	376,923	N/A		N/A	253,159		123,764
2001	145,634	N/A		N/A	145,634		
2000		N/A		N/A			
1999		N/A		N/A			
1998		N/A		N/A			
1997		N/A		N/A			*
Total	595,893				398,793		197,100

Farm losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year
Current	N/A				N/A		
2003		N/A		N/A			
2002		N/A		N/A			
2001		N/A		N/A			
2000		N/A		N/A			
1999		N/A		N/A			
1998		N/A		N/A			
1997		N/A		N/A			
1996		N/A		N/A			
1995		N/A		N/A			
1994		N/A		N/A			*
Total							

Restricted farm losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year
Current	N/A				N/A	N/A	
2003		N/A		N/A		N/A	
2002		N/A		N/A		N/A	
2001		N/A		N/A		N/A	
2000		N/A		N/A		N/A	
1999		N/A		N/A		N/A	
1998		N/A		N/A		N/A	
1997		N/A		N/A		N/A	
1996		N/A		N/A		N/A	
1995		N/A		N/A		N/A	
1994		N/A		N/A		N/A	*
Total						N/A	

* This balance expires this year and will not be available next year.

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SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2004-12-31

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

	1 Class number **200**	2 Undepreciated capital cost at the beginning of the year **201**	3 Cost of acquisitions during the year* **203**	4 Net adjustments **205**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) **207**	6 Undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)** **211**	8 Reduced undepreciated capital cost (column 6 **minus** column 7)	9 CCA rate % **212**	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1) **213**	11 Terminal loss (amount on line 404 of Schedule 1) **215**	12 Capital cost allowance (column 8 **multiplied** by column 9; or a lower amount) (amount on line 403 of Schedule 1)*** **217**	13 Undepreciated capital cost at the end of the year (column 6 **minus** column 12) **220**
1	1	789,378	62,285	-5,704	0	845,959	31,143	814,816	4	0	0	32,593	813,366
2	8	89,537			0	89,537		89,537	20	0	0	17,907	71,630
3	2	792,003			0	792,003		792,003	6	0	0	47,520	744,483
4	12		4,975		0	4,975	2,488	2,487	100	0	0	2,487	2,488
	Total	1,670,918	67,260	-5,704		1,732,474	33,631	1,698,843				100,507	1,631,967

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

** The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

*** If the taxation year is shorter than 365 days, prorate the CCA claim.
See the *T2 Corporation Income Tax Guide* for more information.

Canada

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2004-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

	Name of shareholder 100	Business Number (Notes 1 & 3) 200	Social Insurance Number (Note 2 & 3) 300	Percentage common shares 400	Percentage preferred shares 500
1	TOWNSHIP OF SCUGOG	NR		100.000	
2					
3					
4					
5					
6					
7					
8					
9					
10					

Note 1: If a corporate shareholder does not have a business number, "NR" must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, "NA" must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Ontario

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

2004/
2005

CT23 Corporations Tax and Annual Return

Amended

For taxation years commencing after December 31, 2002

Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Consumer and Business Services (MCBS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Consumer and Business Services (MCBS) **Annual Return**. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No

Corporation's Legal Name *(including punctuation)*

SCUGOG HYDRO ENERGY CORPORATION

Mailing Address

55 TAUNTON ROAD EAST

AJAX
ON CA L1T 3V3

Has the mailing address changed since last filed CT23 Return? [X] Yes

Date of Change: year month day 2007-07-01

Registered/Head Office Address

55 TAUNTON ROAD EAST

AJAX
ON CA L1T 3V3

Location of Books and Records

SAME AS ABOVE

CA

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
DAVID CLARK	(905) 427-9870	

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

Ontario Canada

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶

No. of Schedule(s)

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check (X) this box. Schedule(s) A and K are not required (MCBS). ▶ [X] No Change

Ontario Corporations Tax Account No. (MOF)
1800289

This Return covers the Taxation Year

Start: year month day 2004-01-01

End: year month day 2004-12-31

Date of Incorporation or Amalgamation: year month day 1999-11-01

Ontario Corporation No. (MCBS): 1382155

Canada Customs and Revenue Agency Business No.
If applicable, enter: 87051 7182 RC0001

Jurisdiction Incorporated: Federal

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:

Commenced: year month day

Ceased: year month day

[X] *Not Applicable*

Preferred Language / *Langue de préférence*

[X] English *anglais* [ ] French *français*

Ministry Use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

DAVID CLARK

Title [ ] D Director [X] O Officer [ ] P Other individuals having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2004-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please check (X) box(es) if applicable in sections 1 & 2

1

- 1 [X] Canadian–controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (specify) ▼

Share Capital with full voting rights owned by Canadian Residents (nearest percent) ____ %

2

- 1 [ ] Family Farm Corporation s.1 (2)
- 2 [ ] Family Fishing Corporation s.1 (2)
- 3 [ ] Mortgage Investment Corporation s.47
- 4 [ ] Credit Union s.51
- 5 [ ] Bank Mortgage Subsidiary s.61 (4)
- 6 [ ] Bank s.1 (2)
- 7 [ ] Loan and Trust Corporation s.61 (4)
- 8 [ ] Non-resident Corporation s.2(2)(a) or (b)
- 9 [ ] Non-resident Corporation s.2(2)(c)
- 10 [ ] Mutual Fund Corporation s.48
- 11 [ ] Non-resident owned investment Corporation s.49
- 12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- 14 [ ] Bare Trustee Corporation
- 15 [ ] Branch of Non-resident s.63(1)
- 16 [ ] Financial institution prescribed by Regulation only
- 17 [ ] Investment Dealer
- 18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 [ ] Hydro successor, Municipal Electrical Utility or subsidiary of either
- 20 [ ] Producer and seller of steam for uses other than for the generation of electricity
- 21 [ ] Insurance Exchange s.74.4
- 22 [ ] Farm Feeder Finance Co-operative Corporation
- 23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office no.)
If applicable, enter

Ontario Employer Health Tax Account No.
(Use Head Office no.)
If applicable, enter

Specify major business activity

Please check (X) box(es) if applicable

- [ ] First Year of Filing
- [X] Amended Return
- [ ] Taxation Year End has changed – Canada Customs and Revenue Agency approval required
- [ ] Final Taxation Year up to Dissolution (wind-up) *(Note: For discontinued businesses, see Guide.)*
- [ ] Final Taxation Year before Amalgamation
- [ ] Floating Fiscal Year End
- [ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- [ ] Acquisition of Control fed s. 249(4)

Date Control was acquired
year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[ ]	[X]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	398,793 .
Subtract: Charitable donations	–	1	.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–	2	.
Subtract: Taxable dividends deductible, per federal Schedule 3	–	3	.
Subtract: Ontario political contributions *(Attach Schedule 2A)* (Int.B. 3002R)	–	4	.
Subtract: Federal Part VI.1 tax . x 3	–	5	.
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	398,793 .
Net capital losses (page 16) From 715 . x inclusion rate 50.000000 %	–	714	.
Farm losses	–	From 724	.
Restricted farm losses	–	From 734	.
Limited partnership losses	–	From 754	.
Taxable Income (Non-capital loss)	=	10	.
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) . x 30 100.0000 % (Ontario Allocation) x 12.5 % x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 ___ ÷ Total Days 73 366) = + 29 .

From 10 (or 20 if applicable) . x 30 100.0000 % (Ontario Allocation) x 14 % x (Days after Dec. 31, 2003: 34 366 ÷ Total Days 73 366) = + 32 .

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 .

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) ☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	.	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	.	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53	.	
	= .	▶ 54	.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	55	250,000 .	

Ontario Business Limit Calculation

320,000 x (Days after Dec. 31, 2002 and before Jan 1, 2004: 31 ___ ÷ ** 366) = + 46 .

400,000 x (Days after Dec 31, 2003: 34 366 ÷ ** 366) = + 47 400,000 .

Business Limit for Ontario purposes 46 + 47 = 44 400,000 . x (Percentage of federal Business limit (from T2 Schedule 23). Enter 100% if not associated. 48 100.0000 %) = 45 400,000 .

Income eligible for the IDSBC From 30 100.0000 % (***Ontario Allocation) x 56 . = 60 . Least of 50, 54 or 45

* ***Note:*** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate 7 % x (Number of Days in Taxation Year: Days after Dec 31, 2002 and before Jan 1, 2004 [31] ÷ Total Days [73] 366) = + [89]

8.5 % x (Days after Dec 31, 2003 [34] 366 ÷ Total Days [73] 366) = + [90] 8.5000

IDSBC Rate for Taxation Year [89] + [90] = [78] 8.5000

Claim From [60] x From [78] 8.5000 % = [70]

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 400,000 in [114] below.

Surtax on Canadian-controlled Private Corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

Associated Corporation - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

***Taxable Income of the corporation** From [10] (or [20] if applicable) + [80]

If you are a member of an associated group (X) [81] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Taxable Income (if loss, enter nil)
			+ [82]
			+ [83]
			+ [84]

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. = [85]

320,000 x (Number of Days in Taxation Year: Days after Dec 31, 2002 and before Jan 1, 2004 [31] ÷ Total Days [73] 366) = + [115]

400,000 x (Days after Dec. 31, 2003 [34] 366 ÷ Total Days [73] 366) = + [116] 400,000

[115] + [116] = 400,000 ▶ − [114] 400,000

(If negative, enter nil) = [86]

Calculation of Specified Rate for Surtax 4.6670 % x (Number of Days in Taxation Year: Days after Dec 31, 2002 [38] 366 ÷ Total Days [73] 366) = + [97] 4.6670

From [86] x From [97] 4.6670 % = [87]

From [87] x From [60] ÷ From [114] 400,000 = [88]

Surtax Lesser of [70] or [88] = [100]

***Note: Short Taxation Years** – Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* - - - - - - - - - - - 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits - + 120

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 ÷ From 30 100.0000 % ÷ From 78 8.5000 % = 121

*Ontario Allocation

Lesser of 56 or 121 - + 122

120 – 56 + 122 - = 130

Taxable Income - + From 10

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56

Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - - - - - - - - - - - - + From 122

Subtract: Taxable Income 10 _____ X Allocation % to jurisdictions outside Canada _____ % - - - - 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - - - - - - - - - 141

10 – 56 + 122 – 140 – 141 - = 142

Claim

Number of Days in Taxation Year

143 _____ Lesser of 130 or 142 X From 30 100.0000 % Ontario Allocation X 1.5 % X (Days after Dec. 31, 2002 and before Jan 1, 2004: 33 ÷ Total Days: 73 366) = + 154

143 _____ Lesser of 130 or 142 X From 30 100.0000 % Ontario Allocation X 2 % X (Days after Dec. 31, 2003: 34 366 ÷ Total Days: 73 366) = + 156

M&P claim for taxation year 154 + 156 - = 160

** **Note:** Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity - - - - - - - - - - - = 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). *(Attach schedule).* - 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 _____ Credit Claimed 180

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 - - - - = 190

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to scientific research and experimental development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* + 191

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 CT23 Schedule 113 *(Attach Schedule 113)* + 192

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204
Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 193

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596 194
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005.
Eligible Credit From 6598 CT23 Schedule 115 *(Attach Schedule 115)* + 195

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 196

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 197

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* + 198

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 199

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 200

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 201

Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From 5896 202
Applies to employment of eligible apprentices
Eligible Credit From 5898 CT23 Schedule 114 *(Attach Schedule 114)* + 203

Other (specify) _____ + 203.1

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220

Specified Tax Credits ***Applied to reduce Income Tax*** = 225

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8.** If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17.**

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8.**

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Total Assets of the corporation + 240 3,170,038.

Total Revenue of the corporation + 241 4,536,908.

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) 242 ☐ (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
			+ 243 .	+ 244 .
			+ 245 .	+ 246 .
			+ 247 .	+ 248 .

Aggregate Total Assets 240 + 243 + 245 + 247 , etc. = 249 3,170,038.

Aggregate Total Revenue 241 + 244 + 246 + 248 , etc. = 250 4,536,908.

Determination of Applicability

Applies if ***either*** Total Assets 249 exceeds $5,000,000 ***or*** Total Revenue 250 exceeds $10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

Calculation: CMT *(Attach Schedule 101.)*

Gross CMT Payable – CMT Base From Schedule 101 2136 . (If negative, enter zero) X From 30 100.0000 % (Ontario Allocation) X 4 % = 276 .

Subtract: Foreign Tax Credit for CMT purposes *(Attach Schedule)* – 277 .

Subtract: Income Tax – From 190 .

Net CMT Payable (If negative, enter Nil on Page 17.) = 280 .

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from **Page 7** to **Income Tax Summary, on Page 17.**

If 280 is less than zero and you have a CMT credit carryover A & B below.

If 280 is greater than or equal to zero, transfer 230 to **Page 17** and transfer 280 to **Page 17, and to Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.**

CMT Credit Carryover available From Schedule 101 From 2333 .

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) + From 190 .

Gross CMT Payable + From 276 .

Subtract: Foreign Tax Credit for CMT purposes – From 277 .

If 276 – 277 is negative, enter NIL in 290 = – 290 .

Income Tax eligible for CMT Credit = 300 .

B. Income Tax (after deduction of specified credits) + From 230 .

Subtract: CMT credit used to reduce income taxes – 310 .

Income Tax = 320 .

Transfer to page 17

If A & B apply, 310 ***cannot exceed the lesser of*** 230 , 300 ***and your CMT credit carryover available*** 2333 .

If only B applies, 310 ***cannot exceed the lesser of*** 230 ***and your CMT credit carryover available*** 2333 .

Capital Tax *(Refer to Guide and Int.B. 3011R)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 *and* 430 *on page 10 then proceed to page 13.*

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 *and* 430 *are both $3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* 550 *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.*

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)	+	350	1,265,878
Retained earnings (if deficit, deduct) (Int.B. 3012R)	±	351	-316,306
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	+	352	
Loans and advances *(Attach schedule)* (Int.B. 3013R)	+	353	1,431,646
Bank loans (Int.B. 3013R)	+	354	
Bankers acceptances (Int.B. 3013R)	+	355	
Bonds and debentures payable (Int.B. 3013R)	+	356	
Mortgages payable (Int.B. 3013R)	+	357	
Lien notes payable (Int.B. 3013R)	+	358	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	+	359	
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	+	360	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012R)	+	361	9,120
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)	+	362	
Subtotal	=	370	2,390,338
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)	−	371	
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	−	372	
Total Paid-up Capital	=	380	2,390,338
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	−	381	
Electrical Generating Corporations Only – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the *Corporations Tax Act*, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	−	382	
Net Paid-up Capital	=	390	2,390,338

Eligible Investment *(Refer to Guide and Int.B. 3015R)*

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	
Mortgages due from other corporations	+	403	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	
Loans and advances to unrelated corporations	+	405	
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	
Total Eligible Investments	=	410	

continued on Page 10

SCUGOG HYDRO ENERGY CORPORATION
Corp Tax Acct. No. : 1800289

Year Ended: **Attached Sch.**
31-Dec-2004

CCA - 2001	28,221
AMORTIZATION - 2001	(26,889)
CCA - 2002	119,632
AMORTIZATION - 2002	(111,708)
CCA - 2003	103,977
AMORTIZATION - 2003	(110,360)
CCA - 2004	100,508
AMORTIZATION - 2004	(112,501)
Total	(9,120)

Capital Tax *continued from Page 9*

DOLLARS ONLY

Total Assets (Int.B. 3015R)

Total Assets per balance sheet	+	420	3,170,038
Mortgages or other liabilities deducted from assets	+	421	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	
Subtract: Investment in partnership(s)/joint venture(s)	–	423	
Total Assets as adjusted	=	430	3,170,038
Amounts in 360 and 361 (if deducted from assets)	+	440	
Subtract: Amounts in 371, 372 and 381	–	441	
Subtract: Appraisal surplus if booked	–	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	
Total Assets	=	450	3,170,038

Investment Allowance (410 ÷ 450) x 390 — **Not to exceed** 410 = 460

Taxable Capital 390 – 460 = 470 — 2,390,338

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) — 480 — 4,536,908

Total Assets (as adjusted) — From 430 — 3,170,038

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: *This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002.*

Financial Institutions use calculations on page 13.

Important: If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year

5,000,000	x	Days before Jan. 1, 2005: 35 366	÷	Total Days: 73 366	=	+ 500	5,000,000
7,500,000	x	Days after Dec. 31, 2004 and before Jan. 1, 2006: 36	÷	Total Days: 73 366	=	+ 501	
10,000,000	x	Days after Dec. 31, 2005 and before Jan. 1, 2007: 37	÷	Total Days: 73 366	=	+ 502	
Taxable Capital Deduction (TCD)		500 + 501 + 502			=	503	5,000,000

SECTION C

This section applies if the corporation is **not** a member of an associated group and/or partnership.

C1. If 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

C2. If Taxable Capital in 470 is **equal to or less than the TCD** in 503, enter NIL in 550 on page 12 and complete the return from that point.

C3. If Taxable Capital in 470 **exceeds the TCD** in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.

+ From 470	2,390,338											
– From 503	5,000,000											
= 471		x	From 30	100.0000 %	x	0.3 %	x	555 366 / 366 (366 if leap year)	=	+ 523		
			Ontario Allocation					Days in taxation year. *If floating taxation year, refer to Guide.*			*Transfer to* 543 *on page 12 and complete the return from that point*	

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ 509 (X if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.

If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point.

If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to **Section E**, enter the TCD amount in 542 in Section E, and complete Section E and the return from that point.

D2. ☐ 524 (X if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation

Do **not** complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 - + From 470 _____ •

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
			+ 531 _____ •
			+ 532 _____ •
			+ 533 _____ •
Aggregate Taxable Capital 470 + 531 + 532 + 533 , etc. - - - - - - - - - - - - - - - - - -			= 540 _____ •

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in 523 in section E on page 12, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From 470 _____ • ÷ From 540 _____ • X From 503 _____ • = 541 _____ •

Transfer to 542 *in Section E on page 12*

Ss.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** *Attach a copy of Schedule 591 with this CT23 Return.* Proceed to **Section F** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation **is** a member of an associated group and/or partnership whose total **aggregate** Taxable Capital [540] on page 11 exceeds the TCD [503] on page 10.

Complete the following calculation and transfer the amount from [523] to [543], and complete the return from that point.

+ From [470] _____
– [542] _____
= [471] _____ x From [30] 100.0000 % (Ontario Allocation) x 0.3 % x Days in taxation year [555] 366 / * 366 (366 if leap year) = + **Total Capital Tax for the taxation year** [523] _____

Transfer to [543] *and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+ From [470] _____ x From [30] 100.0000 % (Ontario Allocation) x 0.3 % = + [561] _____

– Capital tax deduction from [995] relating to **your corporation's** Capital Tax deduction, on Schedule 591 – From [995] _____
= [562] _____

Capital Tax [562] _____ x Days in taxation year [555] 366 / * 366 (366 if leap year) = **Total Capital Tax for the taxation year** [563] _____

Transfer to [543] *and complete the return from that point*

** If floating taxation year, refer to Guide.*

Capital Tax before application of specified credits = [543] _____
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* – [546] _____

Capital Tax [543] – [546] *(amount cannot be negative)* = [550] _____
Transfer to page 17

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

1.1 Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] _____ x 0.6% x From [30] 100.0000 % x [555] 366 ÷ * 366 (366 if leap year) = + [569] _____

Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1

Ontario Allocation

Days in taxation year

[570] _____ x [571] _____ x From [30] 100.0000 % x [555] 366 ÷ * 366 (366 if leap year) = + [574] _____

Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount

Capital Tax Rate *(Refer to Guide)*

Ontario Allocation

Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2) [569] + [574] = [575] _____

** If floating taxation year, refer to Guide.*

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments – [585] _____

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) ☐ Yes

Capital Tax - Financial Institutions [575] – [585] = [586] _____

Transfer to [543] *on page 12*

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements [587] _____ x 2% = [588] _____

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* – [589] _____

Premium Tax [588] – [589] = [590] _____

Transfer to page 17

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1 ± 600 398,793 •
Transfer to page 15

Add:

Federal capital cost allowance	+ 601	100,507 •
Federal cumulative eligible capital deduction	+ 602	•
Ontario taxable capital gain	+ 603	•
Federal non-allowable reserves. Balance beginning of year	+ 604	•
Federal allowable reserves. Balance end of year	+ 605	•
Ontario non-allowable reserves. Balance end of year	+ 606	•
Ontario allowable reserves. Balance beginning of year	+ 607	•
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	•
Federal resource allowance *(Refer to Guide)*	+ 609	•
Federal depletion allowance	+ 610	•
Federal foreign exploration and development expenses	+ 611	•
Crown charges, royalties, rentals, etc. deducted for Federal purposes *(Refer to Guide)*	+ 617	•

Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼

Number of Days in Taxation Year

612 _____ • x 5 / 12.5 x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 _____ ÷ Total Days: 73 366) =+ 633 _____ •

612 _____ • x 5 / 14 x (Days after Dec. 31, 2003: 34 366 ÷ Total Days: 73 366) =+ 634 _____ •

Total add-back amount for Management fees, etc. 633 + 634 = _____ • ▶ + 613 •

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 Schedule 161 + 615 •

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 •

Federal allowable business investment loss	+ 620	•
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	+ 614	•

Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 = 100,507 • ▶ 640 100,507 •
Transfer to page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	100,507 •
Ontario cumulative eligible capital deduction	+ 651	•
Federal taxable capital gain	+ 652	•
Ontario non-allowable reserves. Balance beginning of year	+ 653	•
Ontario allowable reserves. Balance end of year	+ 654	•
Federal non-allowable reserves. Balance end of year	+ 655	•
Federal allowable reserves. Balance beginning of year	+ 656	•
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	•
Ontario depletion allowance	+ 658	•
Ontario resource allowance *(Refer to Guide)*	+ 659	•
Ontario current cost adjustment *(Attach schedule)*	+ 661	•
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	•

Subtotal of deductions for this page 650 to 659 + 661 + 675 681 100,507 •
Transfer to page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net income (loss) for federal income tax purposes, per federal Schedule 1 — From ± 600 398,793 •

Total of Additions on page 14 — From = 640 100,507 •

Sub Total of deductions on page 14 — From = 681 100,507 •

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year — 662 •

ONTTI Gross-up deduction calculation:

[From 662 • x (Gross-up of CCA: 100 / From 30 100.0000 Ontario Allocation)] − From 662 • = 663 •

Workplace Child Care Tax Incentive (WCCT)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: [665 • x 30 % x (100 / From 30 100.0000 Ontario allocation)] = 666 •

Workplace Accessibility Tax Incentive (WATI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: [667 • x 100 % x (100 / From 30 100.0000 Ontario allocation)] = 668 •

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI)
(***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 • x 30 % x (100 / From 30 100.0000 Ontario allocation)] = 671 •

Educational Technology Tax Incentive (ETTI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: [672 • x 15 % x (100 / From 30 100.0000 Ontario allocation)] = 673 •

Ontario allowable business investment loss + 678 •

Ontario Scientific Research Expenses claimed in year in 477 **from Ont. CT23 Schedule 161** + 679 •

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) + 677 •

Total of other deductions allowed by Ontario *(Attach schedule)* + 664 •

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 100,507 • ▶ 680 100,507 •

Net income (loss) for Ontario Purposes 600 + 640 − 680 = 690 398,793 •
Transfer to page 4

DOLLARS ONLY

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 595,893	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703	713	723	733	743	753
Subtract: Utilized during the year to reduce taxable income	704 (2) 398,793	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal	707 398,793	717	727	737	747	757
Balance at End of Year	709 (8) 197,100	719	729	739	749	759

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1995-12-31	817 (9)	860 (9)		850	870
801 8th preceding taxation year 1996-12-31	818 (9)	861 (9)		851	871
802 7th preceding taxation year 1997-12-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 1998-12-31	820	830	840	853	873
804 5th preceding taxation year 1999-12-31	821	831	841	854	874
805 4th preceding taxation year 2000-12-31	822	832	842	855	875
806 3rd preceding taxation year 2001-12-31	823	833	843	856	876
807 2nd preceding taxation year 2002-12-31	824 123,764	834	844	857	877
808 1st preceding taxation year 2003-12-31	825 73,336	835	845	858	878
809 Current taxation year 2004-12-31	826	836	846	859	879
Total	829 197,100	839	849	869	889

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance**.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / Taxation Year Ending year month day				
i) 3rd preceding — 901 — 2001-12-31	911	921	931	941
ii) 2nd preceding — 902 — 2002-12-31	912	922	932	942
iii) 1st preceding — 903 — 2003-12-31	913	923	933	943
Total loss to be carried back	From 706	From 716	From 726	From 736
Balance of loss available for carry-forward	919	929	939	949

Summary

Income Tax	From 230 or 320	
Corporate Minimum Tax	From 280	
Capital Tax	From 550	
Premium Tax	From 590	
Total Tax Payable	= 950	
Subtract: Payments	– 960	
Capital Gains Refund (s.48)	– 965	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	– 985	
Specified Tax Credits *(Refer to Guide)*	– 955	
Other, specify _____	–	
Balance	= 970	
If payment due	Enclosed * 990	
If overpayment: Refund *(Refer to Guide)*	= 975	
Apply to year month day	980	*(includes credit interest)*

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name *(please print)*

DAVID CLARK

Title

TREASURER

Full Residence Address

Signature

Date 2006-01-03

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Schedule A: Information on Ontario Corporations

(Corporations that are incorporated, continued or amalgamated under the *Ontario Business Corporations Act*)

MCBS
Schedule A

To submit additional Director or Officer Information, please photocopy this page and attach the completed schedules with your return.

Identification

Corporation's Legal Name *(including punctuation)*	Ontario Corporation No. (MCBS)	Date of Incorporation or Amalgamation (year month day)
SCUGOG HYDRO ENERGY CORPORATION	1382155	1999-11-01

Director/Officer Information

Full Name and Address for Service

Last Name	First Name	Middle Name(s)
Angemeer	Michael	

Street Number and Name: 2 Hodgson Street — Suite:

City/Town/Village	Province/State	Country	Postal/Zip Code
Brampton	ON	CA	L6Y 3G8

Director

Are you a Resident Canadian? *(Applies to directors of business corporations only)*

[X] Yes [ ] No

Date Elected: year month day — 2005-06-30

Date Ceased: year month day — 2005-08-09

Officer

State the appointment period for each of the following:

	Date Appointed (year month day)	Date Ceased (year month day)
President	2005-06-30	2005-06-30
Secretary		
Treasurer		
General Manager		
Other *(specify)*		

Other Titles *(please specify)*

- [ ] Chair
- [ ] Chair Person
- [ ] Chairman
- [ ] Chairwoman
- [ ] Vice-Chair
- [ ] Vice-President
- [ ] Assistant Secretary
- [ ] Assistant Treasurer
- [ ] Chief Manager
- [ ] Executive Director
- [ ] Managing Director
- [ ] Chief Executive Officer
- [ ] Chief Financial Officer
- [ ] Chief Information Officer
- [ ] Chief Operating Officer
- [ ] Chief Administrative Officer
- [ ] Comptroller
- [ ] Authorized Signing Officer
- [ ] Other (untitled)

Director/Officer Information

Full Name and Address for Service

Last Name	First Name	Middle Name(s)
Clark	David	John

Street Number and Name: 35 Lillian Crescent — Suite:

City/Town/Village	Province/State	Country	Postal/Zip Code
Newcastle	ON	CA	L1B 1G3

Director

Are you a Resident Canadian? *(Applies to directors of business corporations only)*

[X] Yes [ ] No

Date Elected: year month day — 2005-06-30

Date Ceased: year month day — 2005-08-09

Officer

State the appointment period for each of the following:

	Date Appointed (year month day)	Date Ceased (year month day)
President		
Secretary		
Treasurer	2005-06-30	2005-08-09
General Manager		
Other *(specify)*		

Other Titles *(please specify)*

- [ ] Chair
- [ ] Chair Person
- [ ] Chairman
- [ ] Chairwoman
- [ ] Vice-Chair
- [ ] Vice-President
- [ ] Assistant Secretary
- [ ] Assistant Treasurer
- [ ] Chief Manager
- [ ] Executive Director
- [ ] Managing Director
- [ ] Chief Executive Officer
- [ ] Chief Financial Officer
- [ ] Chief Information Officer
- [ ] Chief Operating Officer
- [ ] Chief Administrative Officer
- [ ] Comptroller
- [ ] Authorized Signing Officer
- [ ] Other (untitled)

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

CT23 Change of Address

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2004-12-31

CT23 Change of Address

Federal Account Number 87051 7182 RC0001

Effective Date of Change 2007-07-01

New Mailing Address:

C/O . . . . .

Address 1 . . . . . 55 TAUNTON ROAD EAST

Address 2 . . . . .

City . . . . . AJAX

Province . . . . . ON

Country . . . . . CA

Postal Code L1T 3V3

Zip Code . . . . .

Ontario

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2004-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

PROMISSORY NOTE - TOWNSHIP OF SCUGOG	+	1,265,878
LONG TERM CONSUMER DEPOSITS	+	51,156
CURRENT PORTION OF CONSUMER DEPOSITS	+	63,539
CUSTOMER CREDIT BALANCES	+	49,633
PARTNERSHIP CAPITAL	+	1,440
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
Total *Transfer to* 353 *of the CT23*	=	1,431,646

Non-Capital Loss Continuity Workchart – Ontario

Non-capital losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A			N/A	N/A	
2003	73,336	N/A		N/A		73,336
2002	376,923	N/A		N/A	253,159	123,764
2001	145,634	N/A		N/A	145,634	
2000		N/A		N/A		
1999		N/A		N/A		
1998		N/A		N/A		
1997		N/A		N/A		*
Total	595,893				398,793	197,100

Farm losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A			N/A	N/A	
2003		N/A		N/A		
2002		N/A		N/A		
2001		N/A		N/A		
2000		N/A		N/A		
1999		N/A		N/A		
1998		N/A		N/A		
1997		N/A		N/A		
1996		N/A		N/A		
1995		N/A		N/A		
1994		N/A		N/A		*
Total						

Restricted farm losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A			N/A	N/A	
2003		N/A		N/A		
2002		N/A		N/A		
2001		N/A		N/A		
2000		N/A		N/A		
1999		N/A		N/A		
1998		N/A		N/A		
1997		N/A		N/A		
1996		N/A		N/A		
1995		N/A		N/A		
1994		N/A		N/A		*
Total						

* This balance expires this year and will not be available next year.

Ontario

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

Ontario Capital Cost Allowance
Schedule 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2004-12-31

Is the corporation electing under regulation 1101(5q)? 1 ☐ Yes 2 ☒ No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	789,378	62,285	-5,704	0	845,959	31,143	814,816	4	0	0	32,593	813,366
8	89,537			0	89,537		89,537	20	0	0	17,907	71,630
2	792,003			0	792,003		792,003	6	0	0	47,520	744,483
12		4,975		0	4,975	2,488	2,487	100	0	0	2,487	2,488
Totals	1,670,918	67,260	-5,704		1,732,474	33,631	1,698,843				100,507	1,631,967

Enter in boxes 650 . . . . 650 . . . . 650 on the CT23.

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Ontario

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

2004/
2005

CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2002

Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Consumer and Business Services (MCBS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Consumer and Business Services (MCBS) **Annual Return**. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No

Ministry Use

Corporation's Legal Name *(including punctuation)*

SCUGOG HYDRO ENERGY CORPORATION

Ontario Corporations Tax Account No. (MOF)
1800289

Mailing Address

55 TAUNTON ROAD EAST

AJAX
ON CA L1T 3V3

This Return covers the Taxation Year

Start: year month day 2005-01-01

End: year month day 2005-06-30

Has the mailing address changed since last filed CT23 Return? [X] Yes

Date of Change: year month day 2005-06-30

Date of Incorporation or Amalgamation
year month day 1999-11-01

Registered/Head Office Address

55 TAUNTON ROAD EAST

AJAX
ON CA L1T 3V3

Ontario Corporation No. (MCBS) 1382155

Location of Books and Records

SAME AS ABOVE

CA

Canada Customs and Revenue Agency Business No.
If applicable, enter
87051 7182 RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
DAVID CLARK	(905) 427-9870	

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

Ontario Canada

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:

Commenced: year month day

Ceased: year month day

[X] *Not Applicable*

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MCBS)

Preferred Language / *Langue de préférence*

[X] English *anglais* [ ] French *français*

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶

No. of Schedule(s)

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check (X) this box. Schedule(s) A and K are not required (MCBS). ▶ [ ] No Change

Ministry Use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

DAVID CLARK

Title [X] D Director [X] O Officer [ ] P Other individuals having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2005-06-30

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please check (X) box(es) if applicable in sections 1 & 2

1

1 [X] Canadian–controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify) ▼

Share Capital with full voting rights owned by Canadian Residents (nearest percent) ____ %

2

1 [ ] Family Farm Corporation s.1 (2)

2 [ ] Family Fishing Corporation s.1 (2)

3 [ ] Mortgage Investment Corporation s.47

4 [ ] Credit Union s.51

5 [ ] Bank Mortgage Subsidiary s.61 (4)

6 [ ] Bank s.1 (2)

7 [ ] Loan and Trust Corporation s.61 (4)

8 [ ] Non-resident Corporation s.2(2)(a) or (b)

9 [ ] Non-resident Corporation s.2(2)(c)

10 [ ] Mutual Fund Corporation s.48

11 [ ] Non-resident owned investment Corporation s.49

12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

14 [ ] Bare Trustee Corporation

15 [ ] Branch of Non-resident s.63(1)

16 [ ] Financial institution prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [ ] Hydro successor, Municipal Electrical Utility or subsidiary of either

20 [ ] Producer and seller of steam for uses other than for the generation of electricity

21 [ ] Insurance Exchange s.74.4

22 [ ] Farm Feeder Finance Co-operative Corporation

23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office no.)

If applicable, enter

Ontario Employer Health Tax Account No.
(Use Head Office no.)

If applicable, enter

Specify major business activity

Please check (X) box(es) if applicable

[ ] First Year of Filing

[ ] Amended Return

[X] Taxation Year End has changed – Canada Customs and Revenue Agency approval required

[ ] Final Taxation Year up to Dissolution (wind-up) *(Note: For discontinued businesses, see Guide.)*

[ ] Final Taxation Year before Amalgamation

[ ] Floating Fiscal Year End

[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[X] Acquisition of Control fed s. 249(4)

Date Control was acquired

year	month	day
2005	06	30

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[ ]	[X]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	-22,528 .
Subtract: Charitable donations	–	1	.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–	2	.
Subtract: Taxable dividends deductible, per federal Schedule 3	–	3	.
Subtract: Ontario political contributions *(Attach Schedule 2A)* (Int.B. 3002R)	–	4	.
Subtract: Federal Part VI.1 tax . x 3	–	5	.
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	.
Net capital losses (page 16) From 715 . x inclusion rate 50.000000 %	–	714	.
Farm losses	–	From 724	.
Restricted farm losses	–	From 734	.
Limited partnership losses	–	From 754	.
Taxable Income (Non-capital loss)	=	10	-22,528 .
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) . x 30 100.0000 % (Ontario Allocation) x 12.5 % x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 ÷ Total Days: 73 181) = + 29 .

From 10 (or 20 if applicable) . x 30 100.0000 % (Ontario Allocation) x 14 % x (Days after Dec. 31, 2003: 34 181 ÷ Total Days: 73 181) = + 32 .

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 .

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) ☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	.	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	.	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53	.	
	=	.	54 .
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55 148,767 .	

Ontario Business Limit Calculation

320,000 x (Days after Dec. 31, 2002 and before Jan 1, 2004: 31 ÷ ** 365) = + 46 .

400,000 x (Days after Dec 31, 2003: 34 181 ÷ ** 365) = + 47 198,356 .

Business Limit for Ontario purposes 46 + 47 = 44 198,356 . x (Percentage of federal Business limit (from T2 Schedule 23). Enter 100% if not associated. 48 100.0000 %) = 45 198,356 .

Income eligible for the IDSBC From 30 100.0000 % ***Ontario Allocation x 56 . = 60 . Least of 50, 54 or 45

* ***Note:*** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate — 7% × (Days after Dec 31, 2002 and before Jan 1, 2004: 31 ÷ Total Days: 73 / 181) = + 89

8.5% × (Days after Dec 31, 2003: 34 ÷ Total Days: 73 / 181) = + 90 8.5000

IDSBC Rate for Taxation Year 89 + 90 = 78 8.5000

Claim — From 60 × From 78 8.5000 % = 70

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 400,000 in 114 below.

Surtax on Canadian-controlled Private Corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

Associated Corporation - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

***Taxable Income of the corporation** — From 10 (or 20 if applicable) + 80

If you are a member of an associated group (X) 81 (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Taxable Income (if loss, enter nil)
			+ 82
			+ 83
			+ 84

Aggregate Taxable Income 80 + 82 + 83 + 84, etc. = 85

320,000 × (Days after Dec 31, 2002 and before Jan 1, 2004: 31 ÷ Total Days: 73 / 181) = + 115

400,000 × (Days after Dec. 31, 2003: 34 181 ÷ Total Days: 73 / 181) = + 116 400,000

115 + 116 = 400,000 − 114 400,000

(If negative, enter nil) = 86

Calculation of Specified Rate for Surtax — 4.6670% × (Days after Dec 31, 2002: 38 181 ÷ Total Days: 73 / 181) = + 97 4.6670

From 86 × From 97 4.6670 % = 87

From 87 × From 60 ÷ From 114 400,000 = 88

Surtax Lesser of 70 or 88 = 100

* ***Note: Short Taxation Years*** – Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* - - - - - - - - - - - 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits - + 120

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 ÷ From 30 100.0000 % ÷ From 78 8.5000 % = 121

*Ontario Allocation

Lesser of 56 or 121 - + 122

120 – 56 + 122 - = 130

Taxable Income - + From 10 -22,528

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - – From 56

Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - - - - - - - - - - - - - + From 122

Subtract: Taxable Income 10 -22,528 X Allocation % to jurisdictions outside Canada _____ % - - – 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - - - - - - - - – 141

10 – 56 + 122 – 140 – 141 - = 142

Claim

Number of Days in Taxation Year

143 X From 30 100.0000 % X 1.5 % X (Days after Dec. 31, 2002 and before Jan 1, 2004: 33 ÷ Total Days: 73 181) = + 154

Lesser of 130 or 142 — Ontario Allocation

143 X From 30 100.0000 % X 2 % X (Days after Dec. 31, 2003: 34 181 ÷ Total Days: 73 181) = + 156

Lesser of 130 or 142 — Ontario Allocation

M&P claim for taxation year 154 + 156 - = 160

** **Note:** Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity - - - - - - - - - - - = 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). *(Attach schedule).* - 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 _____ Credit Claimed 180

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 - - - - = 190

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to scientific research and experimental development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* + 191

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 CT23 Schedule 113 *(Attach Schedule 113)* + 192

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204
Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 193

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005.
No. of Graduates From 6596 194
Eligible Credit From 6598 CT23 Schedule 115 *(Attach Schedule 115)* + 195

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 196

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 197

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* + 198

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 199

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 200

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 201

Apprenticeship Training Tax Credit (ATTC) (s.43.13)
Applies to employment of eligible apprentices
No. of Apprentices From 5896 202
Eligible Credit From 5898 CT23 Schedule 114 *(Attach Schedule 114)* + 203

Other (specify) _____ + 203.1

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220

Specified Tax Credits ***Applied to reduce Income Tax*** = 225

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8.** If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17.**

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8.**

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Total Assets of the corporation + 240 3,079,077 •

Total Revenue of the corporation + 241 4,697,576 •

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) 242 ☐ (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
			+ 243 •	+ 244 •
			+ 245 •	+ 246 •
			+ 247 •	+ 248 •

Aggregate Total Assets 240 + 243 + 245 + 247, etc. = 249 3,079,077 •

Aggregate Total Revenue 241 + 244 + 246 + 248, etc. = 250 4,697,576 •

Determination of Applicability

Applies if ***either*** Total Assets 249 exceeds $5,000,000 ***or*** Total Revenue 250 exceeds $10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

Calculation: CMT *(Attach Schedule 101.)*

Gross CMT Payable – CMT Base From Schedule 101 2136 • (If negative, enter zero) X From 30 100.0000 % (Ontario Allocation) X 4 % = 276 •

Subtract: Foreign Tax Credit for CMT purposes *(Attach Schedule)* – 277 •

Subtract: Income Tax – From 190 •

Net CMT Payable (If negative, enter Nil on Page 17.) = 280 •

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from **Page 7** to **Income Tax Summary, on Page 17.**

If 280 is less than zero and you have a CMT credit carryover A & B below.

If 280 is greater than or equal to zero, transfer 230 to **Page 17** and transfer 280 to **Page 17, and** to **Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.**

CMT Credit Carryover available From Schedule 101 From 2333 •

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) + From 190 •

Gross CMT Payable + From 276 •

Subtract: Foreign Tax Credit for CMT purposes – From 277 •

If 276 – 277 is negative, enter NIL in 290 = – 290 •

Income Tax eligible for CMT Credit = 300 •

B. Income Tax (after deduction of specified credits) + From 230 •

Subtract: CMT credit used to reduce income taxes – 310 •

Income Tax = 320 • *Transfer to page 17*

If A & B apply, 310 *cannot exceed the lesser of* 230, 300 *and your CMT credit carryover available* 2333.

If only B applies, 310 *cannot exceed the lesser of* 230 *and your CMT credit carryover available* 2333.

Capital Tax *(Refer to Guide and Int.B. 3011R)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 *and* 430 *on page 10 then proceed to page 13.*

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 *and* 430 *are both $3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* 550 *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.*

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)	+	350	2,531,756
Retained earnings (if deficit, deduct) (Int.B. 3012R)	±	351	-348,520
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	+	352	
Loans and advances *(Attach schedule)* (Int.B. 3013R)	+	353	
Bank loans (Int.B. 3013R)	+	354	
Bankers acceptances (Int.B. 3013R)	+	355	
Bonds and debentures payable (Int.B. 3013R)	+	356	
Mortgages payable (Int.B. 3013R)	+	357	
Lien notes payable (Int.B. 3013R)	+	358	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	+	359	
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	+	360	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012R)	+	361	18,806
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)	+	362	
Subtotal	=	370	2,202,042
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)	−	371	
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	−	372	
Total Paid-up Capital	=	380	2,202,042
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	−	381	
Electrical Generating Corporations Only – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the *Corporations Tax Act*, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	−	382	
Net Paid-up Capital	=	390	2,202,042

Eligible Investment *(Refer to Guide and Int.B. 3015R)*

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	
Mortgages due from other corporations	+	403	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	
Loans and advances to unrelated corporations	+	405	
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	
Total Eligible Investments	=	410	

continued on Page 10

SCUGOG HYDRO ENERGY CORPORATION
Corp Tax Acct. No. : 1800289

Year Ended: **Attached Sch.**
30-Jun-2005

CCA - 2001	28,221
AMORTIZATION - 2001	(26,889)
CCA - 2002	119,632
AMORTIZATION - 2002	(111,708)
CCA - 2003	103,977
AMORTIZATION - 2003	(110,360)
CCA - 2004	100,508
AMORTIZATION - 2004	(112,501)
CCA - 2005	47,059
AMORTIZATION - 2005	(56,745)
Total	(18,806)

Capital Tax *continued from Page 9*

DOLLARS ONLY

Total Assets (Int.B. 3015R)

Total Assets per balance sheet	+	420	3,079,077
Mortgages or other liabilities deducted from assets	+	421	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	
Subtract: Investment in partnership(s)/joint venture(s)	–	423	
Total Assets as adjusted	=	430	3,079,077
Amounts in 360 and 361 (if deducted from assets)	+	440	
Subtract: Amounts in 371, 372 and 381	–	441	
Subtract: Appraisal surplus if booked	–	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	
Total Assets	=	450	3,079,077

Investment Allowance (410 ÷ 450) x 390 — Not to exceed 410 = 460

Taxable Capital 390 – 460 = 470 — 2,202,042

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) — 480 — 2,329,483

Total Assets (as adjusted) — From 430 — 3,079,077

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: *This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002.*

Financial Institutions use calculations on page 13.

Important: If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year

5,000,000 x	Days before Jan. 1, 2005 35 ÷ Total Days 73 181	= +	500		
7,500,000 x	Days after Dec. 31, 2004 and before Jan. 1, 2006 36 181 ÷ Total Days 73 181	= +	501	7,500,000	
10,000,000 x	Days after Dec. 31, 2005 and before Jan. 1, 2007 37 ÷ Total Days 73 181	= +	502		
Taxable Capital Deduction (TCD)	500 + 501 + 502	=	503	7,500,000	

SECTION C

This section applies if the corporation is **not** a member of an associated group and/or partnership.

C1. If 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

C2. If Taxable Capital in 470 is **equal to or less than the TCD** in 503, enter NIL in 550 on page 12 and complete the return from that point.

C3. If Taxable Capital in 470 **exceeds the TCD** in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.

+ From 470	2,202,042									
– From 503	7,500,000									
= 471		x	From 30	100.0000 %	x	0.3 %	x	555 181 / 365 (366 if leap year)	= + 523	
			Ontario Allocation					Days in taxation year. *If floating taxation year, refer to Guide.*		*Transfer to 543 on page 12 and complete the return from that point*

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ 509 (X if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.

If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point.

If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to **Section E**, enter the TCD amount in 542 in Section E, and complete Section E and the return from that point.

D2. ☐ 524 (X if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do **not** complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 - + From 470 _____.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
			+ 531 _____.
			+ 532 _____.
			+ 533 _____.
Aggregate Taxable Capital 470 + 531 + 532 + 533, etc. - - - - - - - - - - - - - - - -			= 540 _____.

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in 523 in section E on page 12, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From 470 _____. ÷ From 540 _____. X From 503 _____. = 541 _____.

Transfer to 542 *in Section E on page 12*

Ss.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** *Attach a copy of Schedule 591 with this CT23 Return.* Proceed to **Section F** on page 12.

continued on Page 12

DOLLARS ONLY

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation **is** a member of an associated group and/or partnership whose total **aggregate** Taxable Capital 540 on page 11 exceeds the TCD 503 on page 10.

Complete the following calculation and transfer the amount from 523 to 543, and complete the return from that point.

\+ From 470 _____ .
– 542 _____ .
= 471 _____ . X From 30 100.0000 % (Ontario Allocation) X 0.3 % X 555 181 / * 365 (366 if leap year) Days in taxation year - - - - - - - - = + 523 _____ . Total Capital Tax for the taxation year

Transfer to 543 *and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

\+ From 470 _____ . X From 30 100.0000 % (Ontario Allocation) X 0.3 % - - - - - - - - - - - - = + 561 _____ .

– Capital tax deduction from 995 relating to **your corporation's** Capital Tax deduction, on Schedule 591 - - – From 995 _____ .
= 562 _____ .

Capital Tax - - - - - - - - 562 _____ . X 555 181 / * 365 (366 if leap year) Days in taxation year - - - - - = 563 _____ . Total Capital Tax for the taxation year

Transfer to 543 *and complete the return from that point*

** If floating taxation year, refer to Guide.*

Capital Tax before application of specified credits - = 543 _____ .
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* - - - - - - - - - - - – 546 _____ .

Capital Tax 543 – 546 *(amount cannot be negative)* - - - - - - - - - - - - - - - - - - - = 550 _____ .
Transfer to page 17

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

1.1 Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] _____ x 0.6% x From [30] 100.0000 % x [555] 181 ÷ * 365 (366 if leap year) = + [569] _____

Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1

Ontario Allocation

Days in taxation year

[570] _____ x [571] _____ x From [30] 100.0000 % x [555] 181 ÷ * 365 (366 if leap year) = + [574] _____

Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount

Capital Tax Rate *(Refer to Guide)*

Ontario Allocation

Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2) [569] + [574] - - = [575] _____

** If floating taxation year, refer to Guide.*

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments - - -

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1 ± 600 -22,528.
Transfer to page 15

Add:

Federal capital cost allowance	+ 601	47,059.
Federal cumulative eligible capital deduction	+ 602	
Ontario taxable capital gain	+ 603	
Federal non-allowable reserves. Balance beginning of year	+ 604	
Federal allowable reserves. Balance end of year	+ 605	
Ontario non-allowable reserves. Balance end of year	+ 606	
Ontario allowable reserves. Balance beginning of year	+ 607	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	
Federal resource allowance *(Refer to Guide)*	+ 609	
Federal depletion allowance	+ 610	
Federal foreign exploration and development expenses	+ 611	
Crown charges, royalties, rentals, etc. deducted for Federal purposes *(Refer to Guide)*	+ 617	

Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼

Number of Days in Taxation Year

612 _____ x 5 / 12.5 x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 _____ ÷ Total Days: 73 181) = + 633 _____

612 _____ x 5 / 14 x (Days after Dec. 31, 2003: 34 181 ÷ Total Days: 73 181) = + 634 _____

Total add-back amount for Management fees, etc. 633 + 634 = _____ ▶ + 613

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 Schedule 161 + 615

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616

Federal allowable business investment loss	+ 620	
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	+ 614	

Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 = 47,059. ▶ 640 47,059.
Transfer to page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	47,059.
Ontario cumulative eligible capital deduction	+ 651	
Federal taxable capital gain	+ 652	
Ontario non-allowable reserves. Balance beginning of year	+ 653	
Ontario allowable reserves. Balance end of year	+ 654	
Federal non-allowable reserves. Balance end of year	+ 655	
Federal allowable reserves. Balance beginning of year	+ 656	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	
Ontario depletion allowance	+ 658	
Ontario resource allowance *(Refer to Guide)*	+ 659	
Ontario current cost adjustment *(Attach schedule)*	+ 661	
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	

Subtotal of deductions for this page 650 to 659 + 661 + 675 681 47,059.
Transfer to page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - - - - - - - - - - - - From ± 600 -22,528 .

Total of Additions on page 14 - From = 640 47,059 .

Sub Total of deductions on page 14 - - - - - - - - - - - - - - - - - - - From = 681 47,059 .

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year - - - 662 .

ONTTI Gross-up deduction calculation:

Gross-up of CCA

[From 662 . x 100 / From 30 100.0000 Ontario Allocation] − From 662 . = 663 .

Workplace Child Care Tax Incentive (WCCT)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: [665 . x 30 % x 100 / From 30 100.0000 Ontario allocation] = 666 .

Workplace Accessibility Tax Incentive (WATI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: [667 . x 100 % x 100 / From 30 100.0000 Ontario allocation] = 668 .

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI)
(***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 . x 30 % x 100 / From 30 100.0000 Ontario allocation] = 671 .

Educational Technology Tax Incentive (ETTI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: [672 . x 15 % x 100 / From 30 100.0000 Ontario allocation] = 673 .

Ontario allowable business investment loss - - - - - - - - - - - - - - - + 678 .

Ontario Scientific Research Expenses claimed in year in 477 **from Ont. CT23 Schedule 161** + 679 .

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) - - - - - - - - - + 677 .

Total of other deductions allowed by Ontario *(Attach schedule)* - - - - - - - - + 664 .

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 47,059 . ▶ 680 47,059 .

Net income (loss) for Ontario Purposes 600 + 640 − 680 - - - - - - - - - - - - - - - - - = 690 -22,528 .

Transfer to page 4

DOLLARS ONLY

Continuity of Losses Carried Forward

		Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year		700 (2) 197,100	710 (2)	720 (2)	730	740	750
Add:	Current year's losses (7)	701 22,528	711	721	731	741	751
	Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal		703 22,528	713	723	733	743	753
Subtract:	Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
	Expired during the year	705		725	735	745	
	Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal		707	717	727	737	747	757
Balance at End of Year		709 (8) 219,628	719	729	739	749	759

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1996-12-31	817 (9)	860 (9)		850	870
801 8th preceding taxation year 1997-12-31	818 (9)	861 (9)		851	871
802 7th preceding taxation year 1998-12-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 1999-12-31	820	830	840	853	873
804 5th preceding taxation year 2000-12-31	821	831	841	854	874
805 4th preceding taxation year 2001-12-31	822	832	842	855	875
806 3rd preceding taxation year 2002-12-31	823 123,764	833	843	856	876
807 2nd preceding taxation year 2003-12-31	824 73,336	834	844	857	877
808 1st preceding taxation year 2004-12-31	825	835	845	858	878
809 Current taxation year 2005-06-30	826 22,528	836	846	859	879
Total	829 219,628	839	849	869	889

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance**.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 22,528	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / Taxation Year Ending year month day				
i) 3rd preceding — 901 — 2002-12-31	911	921	931	941
ii) 2nd preceding — 902 — 2003-12-31	912	922	932	942
iii) 1st preceding — 903 — 2004-12-31	913	923	933	943
Total loss to be carried back	From 706	From 716	From 726	From 736
Balance of loss available for carry-forward	919 22,528	929	939	949

Summary

Income Tax	+	From 230 or 320	
Corporate Minimum Tax	+	From 280	
Capital Tax	+	From 550	
Premium Tax	+	From 590	
Total Tax Payable	=	950	
Subtract: Payments	–	960	
Capital Gains Refund (s.48)	–	965	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	–	985	
Specified Tax Credits *(Refer to Guide)*	–	955	
Other, specify _____	–		
Balance	=	970	
If payment due	Enclosed *	990	
If overpayment: Refund *(Refer to Guide)*	=	975	
Apply to (year month day)		980 *(Includes credit interest)*	

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name *(please print)*

DAVID CLARK

Title

TREASURER

Full Residence Address

Signature

Date 2006-01-03

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Schedule A: Information on Ontario Corporations

(Corporations that are incorporated, continued or amalgamated under the *Ontario Business Corporations Act*)

MCBS
Schedule A

To submit additional Director or Officer Information, please photocopy this page and attach the completed schedules with your return.

Identification

Corporation's Legal Name *(including punctuation)*	Ontario Corporation No. (MCBS)	Date of Incorporation or Amalgamation (year month day)
SCUGOG HYDRO ENERGY CORPORATION	1382155	1999-11-01

Director/Officer Information

Full Name and Address for Service

Last Name	First Name	Middle Name(s)
Angemeer	Michael	

Street Number and Name: 2 Hodgson Street — Suite:

City/Town/Village	Province/State	Country	Postal/Zip Code
Brampton	ON	CA	L6Y 3G8

Director

Are you a Resident Canadian? *(Applies to directors of business corporations only)*

[X] Yes [ ] No

Date Elected: year month day — 2005-06-30

Date Ceased: year month day — 2005-08-09

Officer

State the appointment period for each of the following:

	Date Appointed (year / month / day)	Date Ceased (year / month / day)
President	2005-06-30	2005-06-30
Secretary		
Treasurer		
General Manager		
Other *(specify)*		

Other Titles *(please specify)*

- [ ] Chair
- [ ] Chair Person
- [ ] Chairman
- [ ] Chairwoman
- [ ] Vice-Chair
- [ ] Vice-President
- [ ] Assistant Secretary
- [ ] Assistant Treasurer
- [ ] Chief Manager
- [ ] Executive Director
- [ ] Managing Director
- [ ] Chief Executive Officer
- [ ] Chief Financial Officer
- [ ] Chief Information Officer
- [ ] Chief Operating Officer
- [ ] Chief Administrative Officer
- [ ] Comptroller
- [ ] Authorized Signing Officer
- [ ] Other (untitled)

Director/Officer Information

Full Name and Address for Service

Last Name	First Name	Middle Name(s)
Clark	David	John

Street Number and Name: 35 Lillian Crescent — Suite:

City/Town/Village	Province/State	Country	Postal/Zip Code
Newcastle	ON	CA	L1B 1G3

Director

Are you a Resident Canadian? *(Applies to directors of business corporations only)*

[X] Yes [ ] No

Date Elected: year month day — 2005-06-30

Date Ceased: year month day — 2005-08-09

Officer

State the appointment period for each of the following:

	Date Appointed (year / month / day)	Date Ceased (year / month / day)
President		
Secretary		
Treasurer	2005-06-30	2005-08-09
General Manager		
Other *(specify)*		

Other Titles *(please specify)*

- [ ] Chair
- [ ] Chair Person
- [ ] Chairman
- [ ] Chairwoman
- [ ] Vice-Chair
- [ ] Vice-President
- [ ] Assistant Secretary
- [ ] Assistant Treasurer
- [ ] Chief Manager
- [ ] Executive Director
- [ ] Managing Director
- [ ] Chief Executive Officer
- [ ] Chief Financial Officer
- [ ] Chief Information Officer
- [ ] Chief Operating Officer
- [ ] Chief Administrative Officer
- [ ] Comptroller
- [ ] Authorized Signing Officer
- [ ] Other (untitled)

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Ontario

Ministry of Finance
Corporations Tax Branch
PO Box 622
33 King Street West
Oshawa ON L1H 8H6

CT23 Change of Address

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2005-06-30

CT23 Change of Address

Federal Account Number 87051 7182 RC0001

Effective Date of Change 2005-06-30

New Mailing Address:

C/O . . . . .

Address 1 . . . . . 55 TAUNTON ROAD EAST

Address 2 . . . . .

City . . . . . AJAX

Province . . . . . ON

Country . . . . . CA

Postal Code L1T 3V3

Zip Code . . . . .

Non-Capital Loss Continuity Workchart – Ontario

Non-capital losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A	22,528		N/A	N/A	22,528
2004		N/A		N/A		
2003	73,336	N/A		N/A		73,336
2002	123,764	N/A		N/A		123,764
2001		N/A		N/A		
2000		N/A		N/A		
1999		N/A		N/A		
1998		N/A		N/A		*
Total	197,100	22,528				219,628

Farm losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A				N/A	
2004		N/A		N/A		
2003		N/A		N/A		
2002		N/A		N/A		
2001		N/A		N/A		
2000		N/A		N/A		
1999		N/A		N/A		
1998		N/A		N/A		
1997		N/A		N/A		
1996		N/A		N/A		
1995		N/A		N/A		*
Total						

Restricted farm losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A				N/A	
2004		N/A		N/A		
2003		N/A		N/A		
2002		N/A		N/A		
2001		N/A		N/A		
2000		N/A		N/A		
1999		N/A		N/A		
1998		N/A		N/A		
1997		N/A		N/A		
1996		N/A		N/A		
1995		N/A		N/A		*
Total						

* This balance expires this year and will not be available next year.

Ontario

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

Ontario Capital Cost Allowance
Schedule 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2005-06-30

Is the corporation electing under regulation 1101(5q)? 1 ☐ Yes 2 ☒ No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	813,366	44,013		0	857,379	22,007	835,372	4	0	0	16,570	840,809
8	71,630			0	71,630		71,630	20	0	0	7,104	64,526
2	744,483			0	744,483		744,483	6	0	0	22,151	722,332
12	2,488			0	2,488		2,488	100	0	0	1,234	1,254
Totals	1,631,967	44,013			1,675,980	22,007	1,653,973				47,059	1,628,921

Enter in boxes 650 . . . . 650 . . . . 650 on the CT23.

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200

055 Do not use this area

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

Identification

Business Number (BN) 001 87051 7182 RC0001

Corporation's name

002 SCUGOG HYDRO ENERGY CORPORATION

Has the corporation changed its name since the last time we were notified? 003 1 Yes ☐ 2 No ☒

If *Yes*, do you have a copy of the articles of amendment? . . . 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? . . . . . 010 1 Yes ☒ 2 No ☐

011 55 TAUNTON ROAD EAST

012

City	Province, territory, or state
015 AJAX	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L1T 3V3

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? . . . . . 020 1 Yes ☐ 2 No ☒

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

Has the location of books and records changed since the last time we were notified? . . . . . 030 1 Yes ☐ 2 No ☒

031 SAME AS ABOVE

032

City	Province,territory, or state
035	036
Country (other than Canada)	**Postal code/ZIP code**
037	038

040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change . . . . . 043 YYYY MM DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 2005-01-01 YYYY MM DD	061 2005-06-30 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☒ 2 No ☐

If *Yes*, provide the date control was acquired . . . . . 065 2005-06-30 YYYY MM DD

Is the corporation a professional corporation that is a member of a partnership? . . . . . 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? . . . . . 070 1 Yes ☐ 2 No ☒

Amalgamation? . . . . . 071 1 Yes ☐ 2 No ☒

If *Yes*, complete lines 030 to 038 and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? . . . . . 072 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? . . . . . 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? . . . . . 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *No*, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . . 082 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

		Yes	Schedule
Is the corporation related to any other corporations?	150		9
Does the corporation have any non-resident shareholders?	151		19
Is the corporation an associated Canadian-controlled private corporation?	160		23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the corporation subject to gross Part I.3 tax?	233		33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236		36
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		92 *

* We do not print this schedule.

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256		T1134-A
Did the corporation have any controlled foreign affiliates?	258		T1134-B
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174

Additional information

Is the corporation inactive?	280	1 Yes	2 No X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes	2 No X

What is the corporation's major business activity? 282 _____
(Only complete if *Yes* was entered at line 281.)

If the major business activity involves the resale of goods, show whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	ELECTRIC POWER DISTRIBUTOR	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes	2 No X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI. 300 -22,528 A

Deduct:

Charitable donations from Schedule 2	311		
Gifts to Canada, a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction from Schedule 43 *	325		
Non-capital losses of preceding taxation years from Schedule 4	331		
Net capital losses of preceding taxation years from Schedule 4	332		
Restricted farm losses of preceding taxation years from Schedule 4	333		
Farm losses of preceding taxation years from Schedule 4	334		
Limited partnership losses of preceding taxation years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Subtotal		▶	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C **plus** amount D)	360		
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)			Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 . . . . . 400 _____ A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount on line 632* on page 7, **minus** 3 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt form Part I tax . . . . . 405 _____ B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

225,000 x (Number of days in the taxation year in 2003 _____ / Number of days in the taxation year 181) = _____ 1

250,000 x (Number of days in the taxation year in 2004 _____ / Number of days in the taxation year 181) = _____ 2

300,000 x (Number of days in the taxation year after 2004 181 / Number of days in the taxation year 181) = 300,000 3

Add amounts at lines 1, 2, and 3 300,000 4

Business limit (see notes 1 and 2 below) . . . . . 410 148,767 C

Notes:

1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C 148,767 x 415 *** _____ / 11,250 D = ... E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") . . . . . 425 148,767 F

Small business deduction – 16.00 % of whichever amount is the least: A, B, C, or F . . . . . 430 _____ G

(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada **minus** $10,000,000).
- If the corporation is not associated with any corporations in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporations in the current taxation year, but was associated in the preceding taxation year, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) . . . . . 148,767 x (300,000 / line 4 above) = 148,767 A

Net active business income (amount from line 400) * . . . . . B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I Tax _____ C

Deduct:

Aggregate investment income (amount from line 440 of page 6) . . . . . _____ D

Amount C **minus** amount D (if negative, enter "0") . . . . . ▶ _____ E

Amount A, B, or E above, whichever is less . . . . . F

Amount Z from Part 9 of Schedule 27 . . . . . _____ x 100 / 7 = _____ G

Amount QQ from Part 13 of Schedule 27 . . . . . _____ H

Taxable resource income from line 435 above . . . . . _____ I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less _____ K

Total of amounts G, H, I, J, and K . . . . . ▶ _____ L

Amount F **minus** amount L (if negative, enter "0") . . . . . M

Accelerated tax reduction – 7.00 % of amount M (enter amount N on line 637 of page 7) . . . . . N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] . . . . . 435 _____ A

Amount A _____ x Number of days in the taxation year in 2004 _____ / Number of days in the taxation year 181 x 2 % = _____ B

Amount A _____ x Number of days in the taxation year in 2005 181 / Number of days in the taxation year 181 x 3 % = _____ C

Amount A _____ x Number of days in the taxation year in 2006 _____ / Number of days in the taxation year 181 x 5 % = _____ D

Amount A _____ x Number of days in the taxation year after 2006 _____ / Number of days in the taxation year 181 x 7 % = _____ E

Resource deduction – total of amounts B, C, D, and E . . . . . 438 _____ F
(enter amount F on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 . . . . . _____ A

Amount Z from Part 9 of Schedule 27 . . . . . _____ x 100 / 7 = _____ B
Amount QQ from Part 13 of Schedule 27 . . . . . _____ C
Taxable resource income from line 435 above . . . . . _____ D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ E
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least . . . . . _____ F
Aggregate investment income from line 440 of page 6 . . . . . _____ G
Amount used to calculate the accelerated tax reduction (amount M of page 4) . . . . . _____ H
Total of amounts B, C, D, E, F, G, and H . . . . . _____ ▶ _____ I

Amount A **minus** amount I (if negative, enter "0") . . . . . _____ J

Amount J _____ x Number of days in the taxation year after 2003 181 / Number of days in the taxation year 181 x 7 % = _____ K

General tax reduction for Canadian-controlled private corporations – amount K . . . . . _____ L
(enter amount L on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation

Taxable income from line 360 on page 3 . . . . . _____ M

Amount Z from Part 9 of Schedule 27 . . . . . _____ x 100 / 7 = _____ N
Amount QQ from Part 13 of Schedule 27 . . . . . _____ O
Taxable resource income from line 435 above . . . . . _____ P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ Q
Total of amounts N, O, P, and Q . . . . . _____ ▶ _____ R

Amount M **minus** amount R (if negative, enter "0") . . . . . _____ S

Amount S _____ x Number of days in the taxation year after 2003 181 / Number of days in the taxation year 181 x 7 % = _____ T

General tax reduction – amount T . . . . . _____ U
(enter amount U on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7) ..... 440 _____ x 26 2 / 3 % = ... _____ A

Foreign non-business income tax credit from line 632 on page 7 ..... _____

Deduct:

Foreign investment income (amount O from Part 1 of Schedule 7) ..... 445 _____ x 9 1 / 3 % = _____ (if negative, enter "0") _____ ▶ _____ B

Amount A **minus** amount B (if negative, enter "0") ..... _____ C

Taxable income from line 360 on page 3 ..... _____

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is the least ..... _____

Foreign non-business income tax credit from line 632 of page 7 _____ x 25 / 9 = _____

Foreign business income tax credit from line 636 of page 7 _____ x 3 = _____

_____ ▶ _____

x 26 2 / 3 % = _____ D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 of page 8) _____

Deduct: Corporate surtax from line 600 of page 7 ..... _____

Net amount ..... _____ ▶ _____ E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least ..... 450 _____ F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 _____

Deduct: Dividend refund for the previous taxation year ..... 465 _____

_____ ▶ _____ G

Add the total of:

Refundable portion of Part I tax from line 450 above ..... _____

Total Part IV tax payable from line 360 of Schedule 3 ..... _____

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation ... 480 _____

_____ ▶ _____ H

Refundable dividend tax on hand at the end of the taxation year – Amount G **plus** amount H ..... 485 _____

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 of Schedule 3 ..... _____ x 1 / 3 _____ I

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... _____ J

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8) ..... _____

Part I tax

Base amount of Part I tax – 38.00 % of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 _____ A

Corporate surtax calculation

Base amount from line A above ..... _____ 1

Deduct:

10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 ... _____ 2

Investment corporation deduction from line 620 below ..... _____ 3

Federal logging tax credit from line 640 below ..... _____ 4

Federal qualifying environmental trust tax credit from line 648 below ..... _____ 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is the least:

28.00 % of taxable income from line 360 of page 3 .... _____ a

28.00 % of taxed capital gains ..... _____ b

Part I tax otherwise payable ..... _____ c

(line A **plus** lines C and D **minus** line F) _____ 6

Total of lines 2 to 6 ..... _____ 7

Net amount (line 1 **minus** line 7) ..... _____ 8

Corporate surtax – 4.00 % of the amount on line 8 ..... 600 _____ B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 _____ C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 ..... _____ i

Taxable income from line 360 on page 3 ..... _____

Deduct:

Amount on line 400, 405, 410, or 425 of page 4, whichever is the least ..... _____

Net amount ..... _____ ▶ _____ ii

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii .... 604 _____ D

Subtotal (add lines A, B, C, and D) _____ E

Deduct:

Small business deduction from line 430 of page 4 ..... _____ 9

Federal tax abatement ..... 608 _____

Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 ..... 616 _____

Investment corporation deduction ..... 620 _____

(taxed capital gains 624 _____)

Additional deduction – credit unions from Schedule 17 ..... 628 _____

Federal foreign non-business income tax credit from Schedule 21 ..... 632 _____

Federal foreign business income tax credit from Schedule 21 ..... 636 _____

Accelerated tax reduction from amount N on page 4 ..... 637 _____

Resource deduction from line 438 on page 5 ..... _____ 10

General tax reduction for CCPCs from amount R on page 5 ..... 638 _____

General tax reduction from amount U on page 5 ..... 639 _____

Federal logging tax credit from Schedule 21 ..... 640 _____

Federal political contribution tax credit ..... 644 _____

Federal political contributions 646 _____

Federal qualifying environmental trust tax credit ..... 648 _____

Investment tax credit from Schedule 31 ..... 652 _____

Subtotal _____ ▶ _____ F

Part I tax payable – Line E **minus** line F (enter amount G on line 700 of page 8) ..... _____ G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax payable from Schedule 46	708	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

Provincial or territorial jurisdiction 750 Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec, Ontario, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order	816	
Tax instalments paid	840	
Total credits	890	B

Refund code 894 ____ Overpayment ____

Balance (line A **minus** line B) ____

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid ____

Enclosed payment 898 ____

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 ____ Branch number

914 ____ Institution number 918 ____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 CLARK (Last name) 951 DAVID (First name) 954 TREASURER (Position, office, or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 2006-01-03 (Date (yyyy/mm/dd)) ____ Signature of the authorized signing officer of the corporation

956 (905) 427-9870 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☒ 2 No ☐

958 ____ Name

959 ____ Telephone number

Language of correspondence – Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. Indiquer la langue de correspondance de votre choix. 1 English / Anglais ☒ 2 Français / French ☐

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-06-30

Identification of the imported corporation from the GIFI file

Name of the corporation . . . _____

Balance Sheet

Account	Description	GIFI		Amount	Prior year
Assets					
	Total current assets	1599	+	1,311,862	1,347,812
	Total tangible capital assets	2008	+	3,748,075	3,704,042
	Total accumulated amortization of tangible capital assets	2009	–	2,275,150	2,218,407
	Total intangible capital assets	2178	+	294,290	336,591
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+		
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	3,079,077	3,170,038
Liabilities					
	Total current liabilities	3139	+	844,452	2,169,310
	Total long-term liabilities	3450	+	51,389	51,156
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	895,841	2,220,466
Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	2,183,236	949,572
	Total liabilities and shareholder equity	3640	=	3,079,077	3,170,038
Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	-348,520	-316,306

* Generic item

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GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-06-30

Income Statement

Description GIFI

Operating name . . . . . 0001 _____
Description of the operation . . 0002 _____
Sequence Number 0003 01

Account	Description	GIFI		Amount	Prior year
Income statement information					
	Total sales of goods and services	8089	+	2,276,862	4,070,097
	Cost of sales	8518	–	1,924,931	3,497,682
	Gross profit/loss	8519	=	351,931	572,415
	Cost of sales	8518	+	1,924,931	3,497,682
	Total operating expenses	9367	+	395,068	653,644
	Total expenses (mandatory field)	9368	=	2,319,999	4,151,326
	Total revenue (mandatory field)	8299	+	2,329,483	4,536,908
	Total expenses (mandatory field)	9368	–	2,319,999	4,151,326
	Net non-farming income	9369	=	9,484	385,582
Farming income statement information					
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	9,484	385,582
Extraordinary items and income (linked to Schedule 140)					
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–		
	Deferred income tax provision	9995	–		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	9,484	385,582

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SCHEDULE 141

NOTES CHECKLIST

Corporation's name	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-06-30

- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide*.
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner information

Does the accounting practitioner have a professional designation? . . . . . 095 1 Yes [X] 2 No [ ]

Is the accounting practitioner connected* with the corporation? . . . . . 097 1 Yes [X] 2 No [ ]

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note
If the accounting practitioner does not have a professional designation **or** is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: 198

- Completed an auditor's report . . . . . 1 [ ]
- Completed a review engagement report . . . . . 2 [ ]
- Conducted a compilation engagement . . . . . 3 [ ]

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation? . . . . . 099 1 Yes [ ] 2 No [ ]

Part 4 – Other information

Were notes to the financial statements prepared? . . . . . 101 1 Yes [X] 2 No [ ]

If *Yes*, complete lines 102 to 107 below:

- Are any values presented at other than cost? . . . . . 102 1 Yes [ ] 2 No [X]
- Has there been a change in accounting policies since the last return? . . . . . 103 1 Yes [ ] 2 No [X]
- Are subsequent events mentioned in the notes? . . . . . 104 1 Yes [ ] 2 No [X]
- Is re-evaluation of asset information mentioned in the notes? . . . . . 105 1 Yes [ ] 2 No [X]
- Is contingent liability information mentioned in the notes? . . . . . 106 1 Yes [ ] 2 No [X]
- Is information regarding commitments mentioned in the notes? . . . . . 107 1 Yes [X] 2 No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . 108 1 Yes [ ] 2 No [X]

If *Yes*, complete line 109 below:

- Are you filing financial statements of the joint venture(s) or partnership(s)? . . . . . 109 1 Yes [ ] 2 No [ ]

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SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-06-30

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Net income (loss) after taxes and extraordinary items per financial statements			9,484 A
Add:			
Amortization of tangible assets	104	56,745	
Subtotal of additions		56,745 ▶	56,745
Other additions:			
Miscellaneous other additions:			
600 ADDBACK RE S. 12 (1) (X)	290	10,311	
Subtotal of other additions	199	10,311 ▶	10,311
Total additions	500	67,056 ▶	67,056
Deduct:			
Capital cost allowance from Schedule 8	403	47,059	
Subtotal of deductions		47,059 ▶	47,059
Other deductions:			
Miscellaneous other deductions:			
700 DEDUCT RE: ELECTION UNDER S. 13 (7.4)	390	10,311	
701 DEDUCT RE: CORRECTION OF 2004 CARRYING CHARGES	391	41,698	
Subtotal of other deductions	499	52,009 ▶	52,009
Total deductions	510	99,068 ▶	99,068
Net income (loss) for income tax purposes – enter on line 300 of the T2 return			-22,528

T2 SCH 1 E (01)

Canada

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SCHEDULE 4

CORPORATION LOSS CONTINUITY AND APPLICATION

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-06-30

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to previous years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For information on these losses, see the *T2 Corporation Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-22,528
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)		
Taxable dividends deductible under sections 112, 113, or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		
Subtotal (if positive, enter "0")		-22,528
Deduct: (increase a loss)		
Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions		
Subtotal		-22,528
Add: (decrease a loss)		
Current-year farm loss		
Current-year non-capital loss (if positive, enter "0")		-22,528

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		197,100	
Deduct: Non-capital loss expired *	100		
Non-capital losses at beginning of taxation year	102	197,100	
Add: Non-capital losses transferred on an amalgamation or the windup of a subsidiary corporation	105		
Current-year non-capital loss (from calculation above)	110	22,528	219,628
Deduct:			
Amount applied against taxable income (enter on line 331 of the T2 return)	130		
Amount applied against taxable dividends subject to Part IV tax	135		
Section 80 – Adjustments for forgiven amounts	140		
Subsection 111(10) – Adjustments for fuel tax rebate			
Other adjustments	150		
Subtotal			219,628
Deduct – Request to carry back non-capital loss to:			
First preceding taxation year to reduce taxable income	901		
Second preceding taxation year to reduce taxable income	902		
Third preceding taxation year to reduce taxable income	903		
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911		
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912		
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913		
Non-capital losses – Closing balance	180		219,628

* A non-capital loss expires as follows:

- After **7** taxation years if it arose in a taxation year ending before March 23, 2004; or
- After **10** taxation years if it arose in a taxation year ending after March 22, 2004.

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator **190** Yes ☐

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200		
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation	205		
Current-year capital loss (from Schedule 6 calculation)	210		
Add:			
Allowable business investment loss expired as non-capital loss _____ x 4/3	220		
		Subtotal	
Deduct:			
Amount applied against current-year capital gain (see Note 1)	225		
Section 80 – Adjustments for forgiven amounts	240		
Other adjustments	250		
		Subtotal	

Deduct – Request to carry back capital loss to: (see Note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year		951		
Second preceding taxation year		952		
Third preceding taxation year		953		
Capital losses – Closing balance			280	

Note 1
On line 332 of the T2 return, enter the amount from line 225 multiplied by 50%.

Note 2
Enter on lines 225, 951, 952, or 953, whichever applies, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year			
Deduct: Farm loss expired after 10 taxation years	300		
Farm losses at beginning of taxation year	302		
Add: Farm losses transferred on an amalgamation or the windup of a subsidiary corporation	305		
Current-year farm loss	310		
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330		
Amount applied against taxable dividends subject to Part IV tax	335		
Section 80 – Adjustments for forgiven amounts	340		
Other adjustments	350		
		Subtotal	

Deduct – Request to carry back farm loss to:

First preceding taxation year to reduce taxable income	921		
Second preceding taxation year to reduce taxable income	922		
Third preceding taxation year to reduce taxable income	923		
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931		
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932		
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933		
Farm losses – Closing balance		380	

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485	A	
Minus the deductible farm loss:			
$2,500 plus B or C, whichever is less		$ 2,500	
(Amount A above _____ – $2,500) divided by 2 =		B	
		$ 6,250 C	2,500
Current-year restricted farm loss (enter this amount on line 410 of page 3)			

Part 4 – Restricted farm losses (continued)

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year			
Deduct: Restricted farm loss expired after 10 taxation years	400		
Restricted farm losses at beginning of taxation year	402		
Add: Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation	405		
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410		
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430		
Section 80 – Adjustments for forgiven amounts	440		
Other adjustments	450		
Subtotal			
Deduct – Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941		
Second preceding taxation year to reduce farming income	942		
Third preceding taxation year to reduce farming income	943		
Restricted farm losses – Closing balance		480	

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			
Deduct: Listed personal property loss expired after seven taxation years		500	
Listed personal property losses at beginning of taxation year		502	
Add: Current-year listed personal property loss (from Schedule 6)		510	
Subtotal			
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530		
Other adjustments	550		
Subtotal			
Deduct – Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961		
Second preceding taxation year to reduce listed personal property gains	962		
Third preceding taxation year to reduce listed personal property gains	963		
Listed personal property losses – Closing balance		580	

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership identifier 600	Fiscal period ending 602	Corporation's share of limited partnership loss 604	Corporation's at-risk amount 606	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses 608	Column 4 **minus** column 5 If negative, enter "0".	Current-year limited partnership losses Column 3 - 6 620

Total (enter this amount on line 222 of Schedule 1)

Limited partnership losses from prior taxation years that may be applied in the current year

1	2	3	4	5	6	7
Partnership identifier 630	Fiscal period ending 632	Limited partnership losses at end of preceding taxation year 634	Corporation's at-risk amount 636	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses 638	Column 4 **minus** column 5 If negative, enter "0".	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6 650

Continuity of limited partnership losses that can be carried forward to future taxation years

Partnership identifier 660	Limited partnership losses at end of preceding taxation year 662	Limited partnership losses transferred on an amalgamation or the windup of a subsidiary 664	Current-year limited partnership losses (from column 620) 670	Limited partnership losses applied (cannot exceed column 650) 675	Limited partnership losses closing balance (662 + 664 + 670 - 675) 680

Total (enter this amount on line 335 of the T2 return)

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year	
Current	N/A	22,528			N/A		22,528	
2004		N/A		N/A				
2003	73,336	N/A		N/A			73,336	
2002	123,764	N/A		N/A			123,764	
2001		N/A		N/A				
2000		N/A		N/A				
1999		N/A		N/A				
1998		N/A		N/A				*
Total	197,100	22,528					219,628	

Farm losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year	
Current	N/A				N/A			
2004		N/A		N/A				
2003		N/A		N/A				
2002		N/A		N/A				
2001		N/A		N/A				
2000		N/A		N/A				
1999		N/A		N/A				
1998		N/A		N/A				
1997		N/A		N/A				
1996		N/A		N/A				
1995		N/A		N/A				*
Total								

Restricted farm losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year	
Current	N/A				N/A	N/A		
2004		N/A		N/A		N/A		
2003		N/A		N/A		N/A		
2002		N/A		N/A		N/A		
2001		N/A		N/A		N/A		
2000		N/A		N/A		N/A		
1999		N/A		N/A		N/A		
1998		N/A		N/A		N/A		
1997		N/A		N/A		N/A		
1996		N/A		N/A		N/A		
1995		N/A		N/A		N/A		*
Total						N/A		

* This balance expires this year and will not be available next year.

Scugog Hydro Energy Corporation

ELECTION UNDER SUBSECTION 13(7.4)

The company hereby elects to have subsection 13(7.4) of the Income Tax Act apply to reduce the capital cost of depreciable property of Class 1 acquired in the taxation year by an amount of $11,407 received in the taxation year in respect of that property that would otherwise be included in income under paragraph 12(1)(x).

Authorized Signing Officer

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-06-30

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

	1 Class number **200**	2 Undepreciated capital cost at the beginning of the year **201**	3 Cost of acquisitions during the year* **203**	4 Net adjustments **205**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) **207**	6 Undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)** **211**	8 Reduced undepreciated capital cost (column 6 **minus** column 7)	9 CCA rate % **212**	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1) **213**	11 Terminal loss (amount on line 404 of Schedule 1) **215**	12 Capital cost allowance (column 8 **multiplied** by column 9; or a lower amount) (amount on line 403 of Schedule 1)*** **217**	13 Undepreciated capital cost at the end of the year (column 6 **minus** column 12) **220**
1	1	813,366	44,013		0	857,379	22,007	835,372	4	0	0	16,570	840,809
2	8	71,630			0	71,630		71,630	20	0	0	7,104	64,526
3	2	744,483			0	744,483		744,483	6	0	0	22,151	722,332
4	12	2,488			0	2,488		2,488	100	0	0	1,234	1,254
	Total	1,631,967	44,013			1,675,980	22,007	1,653,973				47,059	1,628,921

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

** The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

*** If the taxation year is shorter than 365 days, prorate the CCA claim.
See the *T2 Corporation Income Tax Guide* for more information.

Canada

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Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-06-30

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

	Name of shareholder 100	Business Number (Notes 1 & 3) 200	Social Insurance Number (Note 2 & 3) 300	Percentage common shares 400	Percentage preferred shares 500
1	TOWNSHIP OF SCUGOG	NR		100.000	
2					
3					
4					
5					
6					
7					
8					
9					
10					

Note 1: If a corporate shareholder does not have a business number, "NR" must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, "NA" must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Corporate Taxpayer Summary

Summary of federal information

Taxation Year: 2005-01-01 to 2005-06-30

Jurisdiction: Ontario

Corporation is associated: N

Corporation is related: N

Balance due/refund (–)

Net income: -22,528

Taxable income

Active business income

Dividends paid

Credits against part I tax		Federal taxes		Refunds/credits	
Small bus deduction		Part I		ITC refund	
M&P deduction		Surtax		Dividends refund	
Foreign tax credit		Part I.3		Instalments	
Political contributions		Part IV		Surtax credit	
Investment tax credits		Part I & Surtax		Other	
Abatement/Other		Other			

Summary of federal carryforward/carryback information

Carryback amounts		Carryforward balances	
Investment tax credits		RDTOH	
Non-capital loss		Donations	
Capital loss		Investment tax credits	
Farm loss		Non-capital losses	219,628
Restricted farm loss		Capital/L.P.P. losses	
Surtax credit		Farm losses	
Part I tax credit (Schedule 42)		Restricted farm losses	
		Foreign business tax credit	
		Unused surtax credit	
		Capital dividend amount	
		Part I tax credit (Schedule 42)	

Summary of provincial information – provincial income tax payable

Province	% Allocation	Taxable income	Tax payable before deduction	Deductions/credits	Net tax payable
Newfoundland and Labrador					
Prince Edward Island					
Nova Scotia					
New Brunswick					
Manitoba					
Saskatchewan					
British Columbia					
Yukon Territory					
Northwest Territories					
Nunavut					
Totals per Federal T2 and Schedule 5					
Alberta (AT1)					
Ontario (CT23)	100.00				
Québec (CO-17)					

Summary of taxes payable to provinces and provincial carryforward amounts

Province	Taxable capital	Capital tax payable*	Income tax payable	Total tax payable	Balance due/ refund (-)
B.C. (General)			–		
B.C. (Special)			–		
Sask. (SCT-1)			–		
Manitoba (MCT-1)			–		
Alberta (AT1)	–	–			
Schedule 361			–		–
Schedule 342			–		–
Ontario (CT23)	2,202,042				
Québec (CO-17)					

* For Québec, this includes compensation tax and special taxes

Provincial carryforwards:	Ontario	Québec	Alberta
Non-capital losses	219,628		
Net capital/L.P.P losses			
Farm losses			
Restricted farm losses			
Donations			

Five Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information					
Taxation year end	2005-06-30	2004-12-31	2003-12-31	2002-12-31	2001-12-31
Balance due/refund					
Net income	-22,528	398,793			
Taxable income					
Active business income		398,793			
Dividends paid					
Federal taxes					
Part I					
Surtax					
Part I.3					
Part IV					
Other federal taxes (Parts II, IV.1, VI, VI.1, XIII.1, XIV)					
Credits against part I tax					
Small business deduction					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit					
Abatement/other					
Refunds/credits					
ITC refund					
Dividend refund					
Instalments					
Other					
Ontario					
Taxable income					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital	2,202,042	2,390,338			
Capital tax payable					
Total tax payable					
Balance due/refund					

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EXEMPT FROM TAX

T2 CORPORATION INCOME TAX RETURN

200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 **Do not use this area**

Identification

Business Number (BN) 001 87051 7182 RC0001

Corporation's name

002 SCUGOG HYDRO ENERGY CORPORATION

Has the corporation changed its name since the last time we were notified? 003 1 Yes ☐ 2 No ☒

If *Yes*, do you have a copy of the articles of amendment? . . . 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? . . . . . 010 1 Yes ☐ 2 No ☒

011 55 TAUNTON ROAD EAST
012

City	Province, territory, or state
015 AJAX	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 L1T 3V3

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? . . . . . 020 1 Yes ☐ 2 No ☒

021 c/o
022
023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

Has the location of books and records changed since the last time we were notified? . . . . . 030 1 Yes ☐ 2 No ☒

031 SAME AS ABOVE
032

City	Province,territory, or state
035	036
Country (other than Canada)	**Postal code/ZIP code**
037	038

040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change . . . . . 043 _____ YYYY MM DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 2005-07-01 YYYY MM DD	061 2005-08-08 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If *Yes*, provide the date control was acquired . . . . . 065 _____ YYYY MM DD

Is the corporation a professional corporation that is a member of a partnership? . . . . . 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? . . . . . 070 1 Yes ☐ 2 No ☒

Amalgamation? . . . . . 071 1 Yes ☐ 2 No ☒

If *Yes*, complete lines 030 to 038 and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? . . . . . 072 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? . . . . . 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? . . . . . 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *No*, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . . 082 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☒ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Does the corporation have any non-resident shareholders?	151		19
Is the corporation an associated Canadian-controlled private corporation?	160	X	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		92 *

*** We do not print this schedule.**

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256		T1134-A
Did the corporation have any controlled foreign affiliates?	258		T1134-B
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174

Additional information

Is the corporation inactive?	280	1 Yes	2 No X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes	2 No X

What is the corporation's major business activity? 282 _____
(Only complete if *Yes* was entered at line 281.)

If the major business activity involves the resale of goods, show whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	ELECTRIC POWER DISTRIBUTOR	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes	2 No X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300		11,134	A
Deduct: Charitable donations from Schedule 2	311			
Gifts to Canada, a province, or a territory from Schedule 2	312			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction from Schedule 43 *	325			
Non-capital losses of preceding taxation years from Schedule 4	331	11,134		
Net capital losses of preceding taxation years from Schedule 4	332			
Restricted farm losses of preceding taxation years from Schedule 4	333			
Farm losses of preceding taxation years from Schedule 4	334			
Limited partnership losses of preceding taxation years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Subtotal		11,134 ▶	11,134	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360			
Income exempt under paragraph 149(1)(t)	370			
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)				Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 ..... 400 11,134 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount on line 632* on page 7, **minus** 3 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt form Part I tax ..... 405 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

225,000 x Number of days in the taxation year in 2003 / Number of days in the taxation year 39 = 1

250,000 x Number of days in the taxation year in 2004 / Number of days in the taxation year 39 = 2

300,000 x Number of days in the taxation year after 2004 39 / Number of days in the taxation year 39 = 300,000 3

Add amounts at lines 1, 2, and 3 300,000 4

Business limit (see notes 1 and 2 below) ..... 410 C

Notes:
1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C _____ x 415 *** _____ / 11,250 D = ... E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") ..... 425 F

Small business deduction – 16.00 % of whichever amount is the least: A, B, C, or F ..... 430 G

(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada **minus** $10,000,000).
- If the corporation is not associated with any corporations in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporations in the current taxation year, but was associated in the preceding taxation year, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) _____ x 300,000 / line 4 above = A

Net active business income (amount from line 400) * ..... 11,134 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I Tax _____ C

Deduct:

Aggregate investment income (amount from line 440 of page 6) _____ D

Amount C **minus** amount D (if negative, enter "0") _____ ▶ E

Amount A, B, or E above, whichever is less ..... F

Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 = G

Amount QQ from Part 13 of Schedule 27 _____ H

Taxable resource income from line 435 above _____ I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less _____ K

Total of amounts G, H, I, J, and K _____ ▶ L

Amount F **minus** amount L (if negative, enter "0") ..... M

Accelerated tax reduction – 7.00 % of amount M (enter amount N on line 637 of page 7) ..... N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] . . . . . 435 _____ A

Amount A _____ x Number of days in the taxation year in 2004 _____ / Number of days in the taxation year 39 x 2 % = _____ B

Amount A _____ x Number of days in the taxation year in 2005 39 / Number of days in the taxation year 39 x 3 % = _____ C

Amount A _____ x Number of days in the taxation year in 2006 _____ / Number of days in the taxation year 39 x 5 % = _____ D

Amount A _____ x Number of days in the taxation year after 2006 _____ / Number of days in the taxation year 39 x 7 % = _____ E

Resource deduction – total of amounts B, C, D, and E . . . . . 438 _____ F
(enter amount F on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 . . . . . _____ A

Amount Z from Part 9 of Schedule 27 . . . . . _____ x 100 / 7 = _____ B
Amount QQ from Part 13 of Schedule 27 . . . . . _____ C
Taxable resource income from line 435 above . . . . . _____ D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ E
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least . . . . . _____ F
Aggregate investment income from line 440 of page 6 . . . . . _____ G
Amount used to calculate the accelerated tax reduction (amount M of page 4) . . . . . _____ H
Total of amounts B, C, D, E, F, G, and H . . . . . ▶ _____ I

Amount A **minus** amount I (if negative, enter "0") . . . . . _____ J

Amount J _____ x Number of days in the taxation year after 2003 39 / Number of days in the taxation year 39 x 7 % = _____ K

General tax reduction for Canadian-controlled private corporations – amount K . . . . . _____ L
(enter amount L on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation

Taxable income from line 360 on page 3 . . . . . _____ M

Amount Z from Part 9 of Schedule 27 . . . . . _____ x 100 / 7 = _____ N
Amount QQ from Part 13 of Schedule 27 . . . . . _____ O
Taxable resource income from line 435 above . . . . . _____ P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ Q
Total of amounts N, O, P, and Q . . . . . ▶ _____ R

Amount M **minus** amount R (if negative, enter "0") . . . . . _____ S

Amount S _____ x Number of days in the taxation year after 2003 39 / Number of days in the taxation year 39 x 7 % = _____ T

General tax reduction – amount T . . . . . _____ U
(enter amount U on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7) ..... 440 _____ x 26 2 / 3 % = ... _____ A

Foreign non-business income tax credit from line 632 on page 7 ..... _____

Deduct:

Foreign investment income (amount O from Part 1 of Schedule 7) ..... 445 _____ x 9 1 / 3 % = _____
(if negative, enter "0") _____ ▶ _____ B

Amount A **minus** amount B (if negative, enter "0") ..... _____ C

Taxable income from line 360 on page 3 ..... _____

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is the least ..... _____

Foreign non-business income tax credit from line 632 of page 7 _____ x 25 / 9 = _____

Foreign business income tax credit from line 636 of page 7 _____ x 3 = _____

_____ ▶ _____

x 26 2 / 3 % = _____ D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 of page 8) _____

Deduct: Corporate surtax from line 600 of page 7 ..... _____

Net amount ..... _____ ▶ _____ E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least ..... 450 _____ F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 _____

Deduct: Dividend refund for the previous taxation year ..... 465 _____

_____ ▶ _____ G

Add the total of:

Refundable portion of Part I tax from line 450 above ..... _____

Total Part IV tax payable from line 360 of Schedule 3 ..... _____

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation ... 480 _____

_____ ▶ _____ H

Refundable dividend tax on hand at the end of the taxation year – Amount G **plus** amount H ..... 485 _____

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 of Schedule 3 ..... _____ x 1 / 3 _____ I

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... _____ J

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8) ..... _____

Part I tax

Base amount of Part I tax – 38.00 % of taxable income (line 360 or amount Z, whichever applies) from page 3 . . . . . 550 _____ A

Corporate surtax calculation

Base amount from line A above . . . . . _____ 1

Deduct:

10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 . . . _____ 2

Investment corporation deduction from line 620 below . . . . . _____ 3

Federal logging tax credit from line 640 below . . . . . _____ 4

Federal qualifying environmental trust tax credit from line 648 below . . . . . _____ 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is the least:

28.00 % of taxable income from line 360 of page 3 . . . . _____ a

28.00 % of taxed capital gains . . . . . _____ b

Part I tax otherwise payable . . . . . _____ c

(line A **plus** lines C and D **minus** line F)

_____ 6

Total of lines 2 to 6 . . . . . _____ 7

Net amount (line 1 **minus** line 7) . . . . . _____ 8

Corporate surtax – 4.00 % of the amount on line 8 . . . . . 600 _____ B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 . . . . . 602 _____ C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(if it was a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 . . . . . _____ i

Taxable income from line 360 on page 3 . . . . . _____

Deduct:

Amount on line 400, 405, 410, or 425 of page 4, whichever is the least . . . . . _____

Net amount . . . . . _____ ▶ _____ ii

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii . . . . 604 _____ D

Subtotal (add lines A, B, C, and D) _____ E

Deduct:

Small business deduction from line 430 of page 4 . . . . . _____ 9

Federal tax abatement . . . . . 608 _____

Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 . . . . . 616 _____

Investment corporation deduction . . . . . 620 _____

(taxed capital gains 624 _____)

Additional deduction – credit unions from Schedule 17 . . . . . 628 _____

Federal foreign non-business income tax credit from Schedule 21 . . . . . 632 _____

Federal foreign business income tax credit from Schedule 21 . . . . . 636 _____

Accelerated tax reduction from amount N on page 4 . . . . . 637 _____

Resource deduction from line 438 on page 5 . . . . . _____ 10

General tax reduction for CCPCs from amount R on page 5 . . . . . 638 _____

General tax reduction from amount U on page 5 . . . . . 639 _____

Federal logging tax credit from Schedule 21 . . . . . 640 _____

Federal political contribution tax credit . . . . . 644 _____

Federal political contributions 646 _____

Federal qualifying environmental trust tax credit . . . . . 648 _____

Investment tax credit from Schedule 31 . . . . . 652 _____

Subtotal _____ ▶ _____ F

Part I tax payable – Line E **minus** line F (enter amount G on line 700 of page 8) . . . . . _____ G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax payable from Schedule 46	708	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		

Add provincial or territorial tax:

Provincial or territorial jurisdiction 750 Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec, Ontario, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order	816	
Tax instalments paid	840	
Total credits	890	B

Refund code 894 ____ Overpayment ____

Balance (line A **minus** line B) ____

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Balance unpaid ____

Enclosed payment 898 ____

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 ____ Branch number

914 ____ Institution number 918 ____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 CLARK (Last name) 951 DAVID (First name) 954 TREASURER (Position, office, or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 2006-02-10 (Date (yyyy/mm/dd)) ____ Signature of the authorized signing officer of the corporation

956 (905) 427-9870 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☒ 2 No ☐

958 ____ Name

959 ____ Telephone number

Language of correspondence – Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. Indiquer la langue de correspondance de votre choix. 1 English / Anglais ☒ 2 Français / French ☐

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GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-08-08

Identification of the imported corporation from the GIFI file

Name of the corporation . . . _____

Balance Sheet

Account	Description	GIFI		Amount	Prior year
Assets					
	Total current assets	1599	+	1,332,734	1,311,862
	Total tangible capital assets	2008	+	3,748,075	3,748,075
	Total accumulated amortization of tangible capital assets	2009	–	2,287,377	2,275,150
	Total intangible capital assets	2178	+	294,290	294,290
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+		
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	3,087,722	3,079,077
Liabilities					
	Total current liabilities	3139	+	844,452	844,452
	Total long-term liabilities	3450	+	51,389	51,389
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	895,841	895,841
Shareholder equity					
	Total shareholder equity (mandatory field)	3620	+	2,191,881	2,183,236
	Total liabilities and shareholder equity	3640	=	3,087,722	3,079,077
Retained earnings					
	Retained earnings/deficit – end (mandatory field)	3849	=	-339,875	-348,520

* Generic item

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GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-08-08

Income Statement

Description	GIFI

Operating name 0001
Description of the operation .. 0002
Sequence Number 0003 01

Account	Description	GIFI		Amount	Prior year
Income statement information					
	Total sales of goods and services	8089	+	341,454	2,276,862
	Cost of sales	8518	–	341,454	1,924,931
	Gross profit/loss	8519	=		351,931
	Cost of sales	8518	+	341,454	1,924,931
	Total operating expenses	9367	+	66,374	395,068
	Total expenses (mandatory field)	9368	=	407,828	2,319,999
	Total revenue (mandatory field)	8299	+	416,473	2,329,483
	Total expenses (mandatory field)	9368	–	407,828	2,319,999
	Net non-farming income	9369	=	8,645	9,484
Farming income statement information					
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	8,645	9,484
Extraordinary items and income (linked to Schedule 140)					
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–		
	Deferred income tax provision	9995	–		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	8,645	9,484

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SCHEDULE 141

NOTES CHECKLIST

Corporation's name	Business Number	Taxation year end (Year Month Day)
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-08-08

- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide*.
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner information

Does the accounting practitioner have a professional designation? . . . . . **095** 1 Yes [X] 2 No [ ]

Is the accounting practitioner connected* with the corporation? . . . . . **097** 1 Yes [X] 2 No [ ]

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note
If the accounting practitioner does not have a professional designation **or** is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: **198**

- Completed an auditor's report . . . . . 1 [ ]
- Completed a review engagement report . . . . . 2 [ ]
- Conducted a compilation engagement . . . . . 3 [ ]

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation? . . . . . **099** 1 Yes [ ] 2 No [ ]

Part 4 – Other information

Were notes to the financial statements prepared? . . . . . **101** 1 Yes [ ] 2 No [X]

If *Yes*, complete lines 102 to 107 below:

- Are any values presented at other than cost? . . . . . **102** 1 Yes [ ] 2 No [ ]
- Has there been a change in accounting policies since the last return? . . . . . **103** 1 Yes [ ] 2 No [ ]
- Are subsequent events mentioned in the notes? . . . . . **104** 1 Yes [ ] 2 No [ ]
- Is re-evaluation of asset information mentioned in the notes? . . . . . **105** 1 Yes [ ] 2 No [ ]
- Is contingent liability information mentioned in the notes? . . . . . **106** 1 Yes [ ] 2 No [ ]
- Is information regarding commitments mentioned in the notes? . . . . . **107** 1 Yes [ ] 2 No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . **108** 1 Yes [ ] 2 No [X]

If *Yes*, complete line 109 below:

- Are you filing financial statements of the joint venture(s) or partnership(s)? . . . . . **109** 1 Yes [ ] 2 No [ ]

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SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-08-08

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Net income (loss) after taxes and extraordinary items per financial statements				8,645 A
Add:				
Amortization of tangible assets	104	12,227		
Subtotal of additions		12,227 ▶		12,227
Other additions:				
Miscellaneous other additions:				
Subtotal of other additions	199	0 ▶		0
Total additions	500	12,227 ▶		12,227
Deduct:				
Capital cost allowance from Schedule 8	403	9,738		
Subtotal of deductions		9,738 ▶		9,738
Other deductions:				
Miscellaneous other deductions:				
Subtotal of other deductions	499	0 ▶		0
Total deductions	510	9,738 ▶		9,738
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				11,134

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SCHEDULE 4

CORPORATION LOSS CONTINUITY AND APPLICATION

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-08-08

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to previous years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For information on these losses, see the *T2 Corporation Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		11,134
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)		
Taxable dividends deductible under sections 112, 113, or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		
Subtotal (if positive, enter "0")		
Deduct: (increase a loss)		
Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions		
Subtotal		
Add: (decrease a loss)		
Current-year farm loss		
Current-year non-capital loss (if positive, enter "0")		

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		219,628	
Deduct: Non-capital loss expired *	100		
Non-capital losses at beginning of taxation year	102	219,628	
Add: Non-capital losses transferred on an amalgamation or the windup of a subsidiary corporation	105		
Current-year non-capital loss (from calculation above)	110		219,628
Deduct:			
Amount applied against taxable income (enter on line 331 of the T2 return)	130	11,134	
Amount applied against taxable dividends subject to Part IV tax	135		
Section 80 – Adjustments for forgiven amounts	140		
Subsection 111(10) – Adjustments for fuel tax rebate			
Other adjustments	150		11,134
		Subtotal	208,494
Deduct – Request to carry back non-capital loss to:			
First preceding taxation year to reduce taxable income	901		
Second preceding taxation year to reduce taxable income	902		
Third preceding taxation year to reduce taxable income	903		
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911		
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912		
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913		
Non-capital losses – Closing balance	180		208,494

* A non-capital loss expires as follows:

- After **7** taxation years if it arose in a taxation year ending before March 23, 2004; or
- After **10** taxation years if it arose in a taxation year ending after March 22, 2004.

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator **190** Yes ☐

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200		
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation	205		
Current-year capital loss (from Schedule 6 calculation)	210		
Add:			
Allowable business investment loss expired as non-capital loss _____ x 4/3	220		
		Subtotal	
Deduct:			
Amount applied against current-year capital gain (see Note 1)	225		
Section 80 – Adjustments for forgiven amounts	240		
Other adjustments	250		
		Subtotal	

Deduct – Request to carry back capital loss to: (see Note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year		951		
Second preceding taxation year		952		
Third preceding taxation year		953		
Capital losses – Closing balance			280	

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by 50%.

Note 2

Enter on lines 225, 951, 952, or 953, whichever applies, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year			
Deduct: Farm loss expired after 10 taxation years	300		
Farm losses at beginning of taxation year	302		
Add: Farm losses transferred on an amalgamation or the windup of a subsidiary corporation	305		
Current-year farm loss	310		
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330		
Amount applied against taxable dividends subject to Part IV tax	335		
Section 80 – Adjustments for forgiven amounts	340		
Other adjustments	350		
		Subtotal	

Deduct – Request to carry back farm loss to:

First preceding taxation year to reduce taxable income	921		
Second preceding taxation year to reduce taxable income	922		
Third preceding taxation year to reduce taxable income	923		
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931		
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932		
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933		
Farm losses – Closing balance		380	

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485		A
Minus the deductible farm loss:			
$2,500 plus B or C, whichever is less		$ 2,500	
(Amount A above _____ – $2,500) divided by 2 =		_____ B	
		$ 6,250 C	2,500
Current-year restricted farm loss (enter this amount on line 410 of page 3)			

Part 4 – Restricted farm losses (continued)

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year			
Deduct: Restricted farm loss expired after 10 taxation years	400		
Restricted farm losses at beginning of taxation year	402		
Add: Restricted farm losses transferred on an amalgamation or the windup of a subsidiary corporation	405		
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410		
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430		
Section 80 – Adjustments for forgiven amounts	440		
Other adjustments	450		
		Subtotal	
Deduct – Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941		
Second preceding taxation year to reduce farming income	942		
Third preceding taxation year to reduce farming income	943		
Restricted farm losses – Closing balance		480	

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			
Deduct: Listed personal property loss expired after seven taxation years		500	
Listed personal property losses at beginning of taxation year		502	
Add: Current-year listed personal property loss (from Schedule 6)		510	
		Subtotal	
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530		
Other adjustments	550		
		Subtotal	
Deduct – Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961		
Second preceding taxation year to reduce listed personal property gains	962		
Third preceding taxation year to reduce listed personal property gains	963		
Listed personal property losses – Closing balance		580	

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership identifier 600	Fiscal period ending 602	Corporation's share of limited partnership loss 604	Corporation's at-risk amount 606	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses 608	Column 4 **minus** column 5 If negative, enter "0".	Current-year limited partnership losses Column 3 - 6 620

Total (enter this amount on line 222 of Schedule 1) _____

Limited partnership losses from prior taxation years that may be applied in the current year

1	2	3	4	5	6	7
Partnership identifier 630	Fiscal period ending 632	Limited partnership losses at end of preceding taxation year 634	Corporation's at-risk amount 636	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses 638	Column 4 **minus** column 5 If negative, enter "0".	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6 650

Continuity of limited partnership losses that can be carried forward to future taxation years

Partnership identifier 660	Limited partnership losses at end of preceding taxation year 662	Limited partnership losses transferred on an amalgamation or the windup of a subsidiary 664	Current-year limited partnership losses (from column 620) 670	Limited partnership losses applied (cannot exceed column 650) 675	Limited partnership losses closing balance (662 + 664 + 670 - 675) 680

Total (enter this amount on line 335 of the T2 return) _____

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year
Current	N/A				N/A		
2005	22,528	N/A		N/A			22,528
2004		N/A		N/A			
2003	73,336	N/A		N/A			73,336
2002	123,764	N/A		N/A	11,134		112,630
2001		N/A		N/A			
2000		N/A		N/A			
1999		N/A		N/A			*
Total	219,628				11,134		208,494

Farm losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year
Current	N/A				N/A		
2005		N/A		N/A			
2004		N/A		N/A			
2003		N/A		N/A			
2002		N/A		N/A			
2001		N/A		N/A			
2000		N/A		N/A			
1999		N/A		N/A			
1998		N/A		N/A			
1997		N/A		N/A			
1996		N/A		N/A			*
Total							

Restricted farm losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year
Current	N/A				N/A	N/A	
2005		N/A		N/A		N/A	
2004		N/A		N/A		N/A	
2003		N/A		N/A		N/A	
2002		N/A		N/A		N/A	
2001		N/A		N/A		N/A	
2000		N/A		N/A		N/A	
1999		N/A		N/A		N/A	
1998		N/A		N/A		N/A	
1997		N/A		N/A		N/A	
1996		N/A		N/A		N/A	*
Total						N/A	

* This balance expires this year and will not be available next year.

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SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-08-08

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

	1 Class number **200**	2 Undepreciated capital cost at the beginning of the year **201**	3 Cost of acquisitions during the year* **203**	4 Net adjustments **205**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) **207**	6 Undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)** **211**	8 Reduced undepreciated capital cost (column 6 **minus** column 7)	9 CCA rate % **212**	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1) **213**	11 Terminal loss (amount on line 404 of Schedule 1) **215**	12 Capital cost allowance (column 8 **multiplied** by column 9; or a lower amount) (amount on line 403 of Schedule 1)*** **217**	13 Undepreciated capital cost at the end of the year (column 6 **minus** column 12) **220**
1	1	840,809			0	840,809		840,809	4	0	0	3,594	837,215
2	8	64,526			0	64,526		64,526	20	0	0	1,379	63,147
3	2	722,332			0	722,332		722,332	6	0	0	4,631	717,701
4	12	1,254			0	1,254		1,254	100	0	0	134	1,120
	Total	1,628,921				1,628,921		1,628,921				9,738	1,619,183

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

** The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

*** If the taxation year is shorter than 365 days, prorate the CCA claim.
See the *T2 Corporation Income Tax Guide* for more information.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-08-08

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporations(s)

	Name 100	Country of residence (if other than Canada) 200	Business Number (Canadian corporation only) (see note 1) 300	Relationship code (see note 2) 400	Number of common shares owned 500	% of common shares owned 550	Number of preferred shares owned 600	% of preferred shares owned 650	Book value of capital stock 700
1.	Veridian Connections Inc.		88628 2920 RC0001	1					
2.	Veridian Corporation		86697 3076 RC0001	3					
3.	Veridian Energy Inc.		87098 3186 RC0001	3					

Note 1: Enter "NR" if a corporation is not registered.
Note 2: Enter the code number of the relationship that applies from the following order: 1 – Parent 2 – Subsidiary 3 – Associated 4 – Related, but not associated.

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SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act*, not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the code that applies to each corporation:

1 - associated for purposes of allocating the business limit (unless association code 5 applies)
2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 times the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A is equal to an amount in one of the following ranges, whichever applies:

– from $200,001 to $225,000, if the calendar year to which this agreement applies is 2003;
– from $225,001 to $250,000, if the calendar year to which this agreement applies is 2004; or
– from $250,001 to $300,000, if the calendar year to which this agreement applies is 2005.

If the calendar year to which this agreement applies is after 2005, ensure that the total at line A does not exceed $300,000.

Allocation of the business limit

Date filed (do not use this area) . . . . . 025 Year Month Day

Enter the calendar year to which the agreement applies . . . . . 050 Year 2005

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . 075 1 Yes ☐ 2 No ☒

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Association code 300	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400
	SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	1	300,000		
1	Veridian Connections Inc.	88628 2920 RC0001	1	300,000	100.0000	300,000
2	Veridian Corporation	86697 3076 RC0001	1	300,000		
3	Veridian Energy Inc.	87098 3186 RC0001	1	300,000		
				Total	100.0000	300,000 A

Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group*** of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part I.3 tax of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year. The gross Part I.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada** of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year.

*Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's taxation year is less than 51 weeks, prorate the amount in column 6 by the number of days in the taxation year divided by 365, and enter the result on line 410 of the T2 return.

If a CCPC has more than one taxation year ending in a calendar year and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year, the business limit for the second (and subsequent) taxation year(s) will be equal to the business limit allocated for the first taxation year ending in the calendar year.

**"Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the *Income Tax Act*.

***The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

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SCHEDULE 33

PART I.3 TAX ON LARGE CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-08-08

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part I.3 tax for the purposes of unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the *T2 Corporation Income Tax Return* no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 – Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101		
Capital stock (or members' contributions if incorporated without share capital)	103	2,531,756	
Retained earnings	104		
Contributed surplus	105		
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111		
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112		
	Subtotal	2,531,756 ▶	2,531,756 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121		
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122	339,875	
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123		
The amount of deferred unrealized foreign exchange losses at the end of the year	124		
	Subtotal	339,875 ▶	339,875 B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		2,191,881

Note:

Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined under lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Amounts owing to the member or to other corporations that are members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year	490	

Notes:

1. Where the corporation has an interest in a partnership or tiered partnerships, consider the following:
   - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
   - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's taxation year; and
   - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
2. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

Part 3 – Taxable capital

Capital for the year (line 190)		2,191,881	C
Deduct: Investment allowance for the year (line 490)			D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	2,191,881	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 2,191,881 x (Taxable income earned in Canada / Taxable income) 610 1,000 / 1,000 = **Taxable capital employed in Canada** 690 2,191,881

Notes:

1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a taxation year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	701		
Deduct the following amounts:			
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711		
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	712		
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713		
Total deductions (add lines 711, 712, and 713)		▶	E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790		

Notes: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation of gross Part 1.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies) 2,191,881

Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36) **801**

Excess of taxable capital employed in Canada over capital deduction **811** 2,191,881

Line 811 2,191,881 × (Number of days in the taxation year before 2004 / Number of days in the taxation year 39) × 0.00225000 = . . . F

Line 811 2,191,881 × (Number of days in the taxation year in 2004 / Number of days in the taxation year 39) × 0.00200000 = . . . G

Line 811 2,191,881 × (Number of days in the taxation year in 2005 39 / Number of days in the taxation year 39) × 0.00175000 = . . . 3,836 H

Line 811 2,191,881 × (Number of days in the taxation year in 2006 / Number of days in the taxation year 39) × 0.00125000 = . . . I

Line 811 2,191,881 × (Number of days in the taxation year in 2007 / Number of days in the taxation year 39) × 0.00062500 = . . . J

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.

Subtotal (add amounts F to J) 3,836 K

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount K 3,836 × (Number of days in the year (39) / 365) = ... 410 L

Gross Part I.3 tax (amount K or L, whichever applies) **820** 410

Part 6 – Calculation of gross Part I.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies) . . . . . 2,191,881 M

Deduct: Line 801 above × 1/5 = ... N

Excess (amount M minus amount N) (if negative, enter "0") 2,191,881 O

Amount O 2,191,881 × 0.00225 = ... 4,932 P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:

Amount P 4,932 × (Number of days in the year (39) / 365) = ... 527 Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) **821** 527

Part 7 – Calculation of current-year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount **a** or **b** at line R, whichever is less:

a) line 600 from the T2 return . . . . . **a**

b) line 700 from the T2 return . . . . . **b** R

In any other case, enter amount **c** or **d** at line S, whichever is less:

c) line 600 from the T2 return _____ x (line 690 of this schedule / line 500 of this schedule) 2,191,881 / 2,191,881 = **c**

d) line 700 from the T2 return . . . . . **d** S

Current-year surtax credit available (amount R or S, whichever applies) **830**

Part 8 – Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830) . . . . .

Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821) 527

Current-year unused surtax credit (if negative, enter "0") **850**

Enter this amount at line 600 on Schedule 37.

Part 9 – Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820) . . . . . 410 T

Deduct:

Current-year surtax credit applied (line 820 or 830, whichever is less) **861**

Unused surtax credit from previous years applied (amount from line 320 on Schedule 37) **862**

Subtotal (cannot be more than amount on line 820) ▶ U

Net Part I.3 tax payable (amount T minus amount U) **870** 410

Enter this amount at line 704 of the T2 return.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 36

AGREEMENT AMONG RELATED CORPORATIONS – PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $50,000,000 among the members of the related group. **Do not file this agreement if no members of the related group have to pay Part I.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal *Income Tax Act*, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Agreement

Date filed (do not use this area) . . . . . 010 Year Month Day

Is this an amended agreement? . . . . . 020 1 Yes ☐ 2 No ☒

Calendar year to which the agreement applies . . . . . 030 Year 2005

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member that is exempt from Part 1.3 tax under subsection 181.1(3) does not have to be included.

	Names of all corporations which are members of the related group 200	Business Number (if a corporation is not registered, enter "NR") 300	Allocation of capital deduction for the year $ 400	Taxation year end to which this agreement applies* (YYYY/MM/DD) 500
	SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001		2005-08-08
1	Veridian Connections Inc.	88628 2920 RC0001	50,000,000	2005-08-08
2	Veridian Corporation	86697 3076 RC0001		
3	Veridian Energy Inc.	87098 3186 RC0001		2005-11-19

Total (cannot be more than $50,000,000) 50,000,000

* Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Taxation year end Year Month Day
SCUGOG HYDRO ENERGY CORPORATION	87051 7182 RC0001	2005-08-08

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

	Name of shareholder 100	Business Number **(Notes 1 & 3)** 200	Social Insurance Number **(Note 2 & 3)** 300	Percentage common shares 400	Percentage preferred shares 500
1	TOWNSHIP OF SCUGOG	NR		100.000	
2					
3					
4					
5					
6					
7					
8					
9					
10					

Note 1: If a corporate shareholder does not have a business number, "NR" must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, "NA" must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Ontario

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

2004/
2005

CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2002

Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Consumer and Business Services (MCBS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Consumer and Business Services (MCBS) **Annual Return**. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No **Page 1 of 20**

Corporation's Legal Name *(including punctuation)*

SCUGOG HYDRO ENERGY CORPORATION

Mailing Address

55 TAUNTON ROAD EAST

AJAX
ON CA L1T 3V3

Has the mailing address changed since last filed CT23 Return? [ ] Yes | Date of Change: year month day

Registered/Head Office Address

55 TAUNTON ROAD EAST

AJAX
ON CA L1T 3V3

Location of Books and Records

SAME AS ABOVE

CA

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
DAVID CLARK	(905) 427-9870	

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

Ontario Canada

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶

No. of Schedule(s)

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check (X) this box. Schedule(s) A and K are not required (MCBS). ▶ [X] No Change

Ontario Corporations Tax Account No. (MOF)
1800289

This Return covers the Taxation Year

Start: year month day 2005-07-01

End: year month day 2005-08-08

Date of Incorporation or Amalgamation: year month day 1999-11-01

Ontario Corporation No. (MCBS): 1382155

Canada Customs and Revenue Agency Business No.
If applicable, enter:
87051 7182 RC0001

Jurisdiction Incorporated: Ontario

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:

Commenced: year month day

Ceased: year month day

[X] *Not Applicable*

Preferred Language / *Langue de préférence*

[X] English *anglais* [ ] French *français*

Ministry Use

Certification (MCBS)

I certify that all information set out in the **Annual Return** is true, correct and complete.

Name of Authorized Person *(Print clearly or type in full)*

DAVID CLARK

Title D [X] Director O [X] Officer P [ ] Other individuals having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2005-08-08

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please check (X) box(es) if applicable in sections [1] & [2]

[1]

1 [X] Canadian–controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify) ▼

Share Capital with full voting rights owned by Canadian Residents (nearest percent) ____ %

[2]

1 [ ] Family Farm Corporation s.1 (2)
2 [ ] Family Fishing Corporation s.1 (2)
3 [ ] Mortgage Investment Corporation s.47
4 [ ] Credit Union s.51
5 [ ] Bank Mortgage Subsidiary s.61 (4)
6 [ ] Bank s.1 (2)
7 [ ] Loan and Trust Corporation s.61 (4)
8 [ ] Non-resident Corporation s.2(2)(a) or (b)
9 [ ] Non-resident Corporation s.2(2)(c)
10 [ ] Mutual Fund Corporation s.48
11 [ ] Non-resident owned investment Corporation s.49
12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
14 [ ] Bare Trustee Corporation
15 [ ] Branch of Non-resident s.63(1)
16 [ ] Financial institution prescribed by Regulation only
17 [ ] Investment Dealer
18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
19 [ ] Hydro successor, Municipal Electrical Utility or subsidiary of either
20 [ ] Producer and seller of steam for uses other than for the generation of electricity
21 [ ] Insurance Exchange s.74.4
22 [ ] Farm Feeder Finance Co-operative Corporation
23 [ ] Professional Corporation (incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)

If applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)

If applicable, enter

Specify major business activity

Please check (X) box(es) if applicable

[ ] First Year of Filing

[ ] Amended Return

[X] Taxation Year End has changed – Canada Customs and Revenue Agency approval required

[ ] Final Taxation Year up to Dissolution (wind-up) *(Note: For discontinued businesses, see Guide.)*

[ ] Final Taxation Year before Amalgamation

[ ] Floating Fiscal Year End

[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] Acquisition of Control fed s. 249(4)

Date Control was acquired

year	month	day

	Yes	No
Was the corporation inactive throughout the taxation year?	[ ]	[X]
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	[X]	[ ]
Are you requesting a refund due to: the Carry-back of a Loss?	[ ]	[X]
an Overpayment?	[ ]	[X]
a Specified Refundable Tax Credit?	[ ]	[X]
Are you a Member of a Partnership or Joint Venture?	[ ]	[X]

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	11,134 .		
Subtract: Charitable donations	–		1		
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–		2		
Subtract: Taxable dividends deductible, per federal Schedule 3	–		3		
Subtract: Ontario political contributions *(Attach Schedule 2A)* (Int.B. 3002R)	–		4		
Subtract: Federal Part VI.1 tax _____ . x 3	–		5		
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	11,134 .		
From 715 Net capital losses (page 16) _____ . x inclusion rate 50.000000 %	=	–	714		
Farm losses	–	From 724			
Restricted farm losses	–	From 734			
Limited partnership losses	–	From 754			
Taxable Income (Non-capital loss)	=		10		

Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) _____ . x 30 100.0000 % Ontario Allocation x 12.5 % x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 _____ ÷ Total Days 73 39) = + 29 _____ .

From 10 (or 20 if applicable) _____ . x 30 100.0000 % Ontario Allocation x 14 % x (Days after Dec. 31, 2003: 34 39 ÷ Total Days 73 39) = + 32 _____ .

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) ☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	_____ .	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	_____ .	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53	_____ .	
	=	_____ . ▶ 54	
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55	

Ontario Business Limit Calculation

320,000 x (Days after Dec. 31, 2002 and before Jan 1, 2004: 31 _____ ÷ ** 365) = + 46 _____ .

400,000 x (Days after Dec 31, 2003: 34 39 ÷ ** 365) = + 47 42,740 .

Business Limit for Ontario purposes 46 + 47 = 44 42,740 . x (Percentage of federal Business limit (from T2 Schedule 23). Enter 100% if not associated. 48 . %) = 45

Income eligible for the IDSBC From 30 100.0000 % ***Ontario Allocation x 56 _____ . = 60 _____ .

Least of 50 , 54 or 45

* ***Note:*** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate 7% x (Number of Days in Taxation Year: Days after Dec 31, 2002 and before Jan 1, 2004 [31] ÷ Total Days [73] 39) = + [89]

8.5% x (Days after Dec 31, 2003 [34] 39 ÷ Total Days [73] 39) = + [90] 8.5000

IDSBC Rate for Taxation Year [89] + [90] = [78] 8.5000

Claim From [60] x From [78] 8.5000% = [70]

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 400,000 in [114] below.

Surtax on Canadian-controlled Private Corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

Associated Corporation - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

***Taxable Income of the corporation** From [10] (or [20] if applicable) + [80]

If you are a member of an associated group (X) [81] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Taxable Income (if loss, enter nil)
Veridian Connections Inc.	1800328	2005-08-08	+ [82]
Veridian Corporation	7861179	2004-12-31	+ [83]
Veridian Energy Inc.	1800332	2004-12-31	+ [84]

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. = [85]

320,000 x (Number of Days in Taxation Year: Days after Dec 31, 2002 and before Jan 1, 2004 [31] ÷ Total Days [73] 39) = + [115]

400,000 x (Days after Dec. 31, 2003 [34] 39 ÷ Total Days [73] 39) = + [116] 400,000

[115] + [116] = 400,000 ▶ – [114] 400,000

(If negative, enter nil) = [86]

Calculation of Specified Rate for Surtax 4.6670% x (Number of Days in Taxation Year: Days after Dec 31, 2002 [38] 39 ÷ Total Days [73] 39) = + [97] 4.6670

From [86] x From [97] 4.6670% = [87]

From [87] x From [60] ÷ From [114] 400,000 = [88]

Surtax Lesser of [70] or [88] = [100]

* ***Note: Short Taxation Years*** – Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* - - - - - - - - - - - 110

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits - + 120

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 ÷ From 30 100.0000 % ÷ From 78 8.5000 % = 121

*Ontario Allocation

Lesser of 56 or 121 - + 122

120 – 56 + 122 - = 130

Taxable Income - + From 10

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - - From 56

Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - - - - - - - - - - - + From 122

Subtract: Taxable Income 10 X Allocation % to jurisdictions outside Canada _____ % - - - 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - - - - - - - - - 141

10 – 56 + 122 – 140 – 141 - = 142

Claim

Number of Days in Taxation Year

143 Lesser of 130 or 142 X From 30 100.0000 % Ontario Allocation X 1.5 % X (Days after Dec. 31, 2002 and before Jan 1, 2004: 33 ÷ Total Days: 73 39) = + 154

143 Lesser of 130 or 142 X From 30 100.0000 % Ontario Allocation X 2 % X (Days after Dec. 31, 2003: 34 39 ÷ Total Days: 73 39) = + 156

M&P claim for taxation year 154 + 156 - = 160

*** Note:** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity - - - - - - - - - - = 162

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). *(Attach schedule).* - 170

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 Credit Claimed 180

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 - - - - = 190

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to scientific research and experimental development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* + 191

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 CT23 Schedule 113 *(Attach Schedule 113)* + 192

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204
Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 193

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. 194
Eligible Credit From 6598 CT23 Schedule 115 *(Attach Schedule 115)* + 195

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 196

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 197

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* + 198

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 199

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 200

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 201

Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From 5896
Applies to employment of eligible apprentices 202
Eligible Credit From 5898 CT23 Schedule 114 *(Attach Schedule 114)* + 203

Other (specify) _____ + 203.1

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220

Specified Tax Credits ***Applied to reduce Income Tax*** = 225

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8.** If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17.**

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8.**

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Total Assets of the corporation + 240 3,087,722 .

Total Revenue of the corporation + 241 3,897,760 .

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) 242 ☐ (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
			+ 243 .	+ 244 .
			+ 245 .	+ 246 .
			+ 247 .	+ 248 .

Aggregate Total Assets 240 + 243 + 245 + 247 , etc. = 249 3,087,722 .

Aggregate Total Revenue 241 + 244 + 246 + 248 , etc. = 250 3,897,760 .

Determination of Applicability

Applies if ***either*** Total Assets 249 exceeds $5,000,000 ***or*** Total Revenue 250 exceeds $10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

Calculation: CMT *(Attach Schedule 101.)*

Gross CMT Payable – CMT Base From Schedule 101 2136 . (If negative, enter zero) X From 30 100.0000 % (Ontario Allocation) X 4 % = 276 .

Subtract: Foreign Tax Credit for CMT purposes *(Attach Schedule)* – 277 .

Subtract: Income Tax – From 190 .

Net CMT Payable (If negative, enter Nil on Page 17.) = 280 .

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from **Page 7** to **Income Tax Summary, on Page 17.**

If 280 is less than zero and you have a CMT credit carryover A & B below.

If 280 is greater than or equal to zero, transfer 230 to **Page 17** and transfer 280 to **Page 17, and** to **Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.**

CMT Credit Carryover available From Schedule 101 From 2333 .

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) + From 190 .

Gross CMT Payable + From 276 .

Subtract: Foreign Tax Credit for CMT purposes – From 277 .

If 276 – 277 is negative, enter NIL in 290 = . – 290 .

Income Tax eligible for CMT Credit = 300 .

B. Income Tax (after deduction of specified credits) + From 230 .

Subtract: CMT credit used to reduce income taxes – 310 .

Income Tax = 320 .

Transfer to page 17

If A & B apply, 310 ***cannot exceed the lesser of*** 230 , 300 ***and your CMT credit carryover available*** 2333 .

If only B applies, 310 ***cannot exceed the lesser of*** 230 ***and your CMT credit carryover available*** 2333 .

Capital Tax *(Refer to Guide and Int.B. 3011R)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 *and* 430 *on page 10 then proceed to page 13.*

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 *and* 430 *are both $3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* 550 *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.*

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)	+	350	2,531,756
Retained earnings (if deficit, deduct) (Int.B. 3012R)	±	351	-339,875
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	+	352	
Loans and advances *(Attach schedule)* (Int.B. 3013R)	+	353	
Bank loans (Int.B. 3013R)	+	354	
Bankers acceptances (Int.B. 3013R)	+	355	
Bonds and debentures payable (Int.B. 3013R)	+	356	
Mortgages payable (Int.B. 3013R)	+	357	
Lien notes payable (Int.B. 3013R)	+	358	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	+	359	
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	+	360	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012R)	+	361	21,295
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)	+	362	
Subtotal	=	370	2,213,176
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)	−	371	
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	−	372	
Total Paid-up Capital	=	380	2,213,176
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	−	381	
Electrical Generating Corporations Only – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the *Corporations Tax Act*, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	−	382	
Net Paid-up Capital	=	390	2,213,176

Eligible Investment *(Refer to Guide and Int.B. 3015R)*

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	
Mortgages due from other corporations	+	403	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	
Loans and advances to unrelated corporations	+	405	
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	
Total Eligible Investments	=	410	

continued on Page 10

DOLLARS ONLY

Total Assets (Int.B. 3015R)

Total Assets per balance sheet	+	420	3,087,722
Mortgages or other liabilities deducted from assets	+	421	
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	
Subtract: Investment in partnership(s)/joint venture(s)	–	423	
Total Assets as adjusted	=	430	3,087,722
Amounts in 360 and 361 (if deducted from assets)	+	440	
Subtract: Amounts in 371, 372 and 381	–	441	
Subtract: Appraisal surplus if booked	–	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	
Total Assets	=	450	3,087,722

Investment Allowance (410 ÷ 450) x 390 — Not to exceed 410 = 460

Taxable Capital 390 – 460 = 470 2,213,176

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 416,473

Total Assets (as adjusted) From 430 3,087,722

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: *This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002.*

Financial Institutions use calculations on page 13.

Important: If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year

		Days before Jan. 1, 2005		Total Days				
5,000,000	x	35	÷	73	39	= + 500		
		Days after Dec. 31, 2004 and before Jan. 1, 2006		Total Days				
7,500,000	x	36 39	÷	73	39	= + 501	7,500,000	
		Days after Dec. 31, 2005 and before Jan. 1, 2007		Total Days				
10,000,000	x	37	÷	73	39	= + 502		

Taxable Capital Deduction (TCD) 500 + 501 + 502 = 503 7,500,000

SECTION C

This section applies if the corporation is **not** a member of an associated group and/or partnership.

C1. If 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

C2. If Taxable Capital in 470 is **equal to or less than the TCD** in 503, enter NIL in 550 on page 12 and complete the return from that point.

C3. If Taxable Capital in 470 **exceeds the TCD** in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.

\+ From 470 _____

– From 503 _____

= 471 _____ x From 30 100.0000 % (Ontario Allocation) x 0.3 % x 555 39 / 365 (366 if leap year) *If floating taxation year, refer to Guide.* = + 523 _____

Transfer to 543 *on page 12 and complete the return from that point*

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ 509 (X if applicable) All corporations that you are associated with do **not** have a permanent establishment in Canada.

If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point.

If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to **Section E**, enter the TCD amount in 542 in Section E, and complete Section E and the return from that point.

D2. ☒ 524 (X if applicable) One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do **not** complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 - + From 470 2,213,176 •

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End		Taxable Capital
Veridian Connections Inc.	1800328	2005-08-08	+ 531	146,912,922 •
Veridian Corporation	7861179	2004-12-31	+ 532	13,150,922 •
Veridian Energy Inc.	1800332	2004-12-31	+ 533	7,893,496 •
Aggregate Taxable Capital 470 + 531 + 532 + 533 , etc.			= 540	170,170,516 •

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in 523 in section E on page 12, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From 470 2,213,176 • ÷ From 540 170,170,516 • x From 503 7,500,000 • = 541 97,542 •

Transfer to 542 *in Section E on page 12*

Ss.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** *Attach a copy of Schedule 591 with this CT23 Return.* Proceed to **Section F** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation **is** a member of an associated group and/or partnership whose total **aggregate** Taxable Capital [540] on page 11 exceeds the TCD [503] on page 10.

Complete the following calculation and transfer the amount from [523] to [543], and complete the return from that point.

+	From [470]	2,213,176										
–	[542]	97,542										
=	[471]	2,115,634	x	From [30]	100.0000 % Ontario Allocation	x	0.3 %	x	[555] 39 / * 365 (366 if leap year)	= +	[523]	678

Total Capital Tax for the taxation year

Days in taxation year

Transfer to [543] *and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From [470]		x	From [30]	100.0000 % Ontario Allocation	x	0.3 %	= +	[561]

– Capital tax deduction from [995] relating to **your corporation's** Capital Tax deduction, on Schedule 591 – From [995]

= [562]

Total Capital Tax for the taxation year

Days in taxation year

Capital Tax [562] x [555] 39 / * 365 (366 if leap year) = [563]

Transfer to [543] *and complete the return from that point*

** If floating taxation year, refer to Guide.*

Capital Tax before application of specified credits	= [543]	678
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	– [546]	
Capital Tax [543] – [546] *(amount cannot be negative)*	= [550]	678

Transfer to page 17

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

1.1 Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] _____ (Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1) x 0.6 % x From [30] 100.0000 % (Ontario Allocation) x [555] 39 (Days in taxation year) ÷ * 365 (366 if leap year) = + [569] _____

[570] _____ (Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount) x [571] _____ (Capital Tax Rate *(Refer to Guide)*) x From [30] 100.0000 % (Ontario Allocation) x [555] 39 (Days in taxation year) ÷ * 365 (366 if leap year) = + [574] _____

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2) [569] + [574] = [575]

** If floating taxation year, refer to Guide.*

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments – [585]

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) ☐ Yes

Capital Tax - Financial Institutions [575] – [585] = [586]

Transfer to [543] *on page 12*

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements [587] x 2 % = [588]

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* – [589]

Premium Tax [588] – [589] = [590]

Transfer to page 17

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1 ± 600 11,134 •
Transfer to page 15

Add:

Federal capital cost allowance	+ 601	9,738 •
Federal cumulative eligible capital deduction	+ 602	•
Ontario taxable capital gain	+ 603	•
Federal non-allowable reserves. Balance beginning of year	+ 604	•
Federal allowable reserves. Balance end of year	+ 605	•
Ontario non-allowable reserves. Balance end of year	+ 606	•
Ontario allowable reserves. Balance beginning of year	+ 607	•
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	•
Federal resource allowance *(Refer to Guide)*	+ 609	•
Federal depletion allowance	+ 610	•
Federal foreign exploration and development expenses	+ 611	•
Crown charges, royalties, rentals, etc. deducted for Federal purposes *(Refer to Guide)*	+ 617	•

Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼

Number of Days in Taxation Year

612 _____ • x 5 / 12.5 x [Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 _____ ÷ Total Days: 73 39] =+ 633 _____ •

612 _____ • x 5 / 14 x [Days after Dec. 31, 2003: 34 39 ÷ Total Days: 73 39] =+ 634 _____ •

Total add-back amount for Management fees, etc. 633 + 634 = _____ • ▶ + 613

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 Schedule 161 + 615 •

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 •

Federal allowable business investment loss	+ 620	•
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*	+ 614	•

Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 = 9,738 • ▶ 640 9,738 •
Transfer to page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	9,738 •
Ontario cumulative eligible capital deduction	+ 651	•
Federal taxable capital gain	+ 652	•
Ontario non-allowable reserves. Balance beginning of year	+ 653	•
Ontario allowable reserves. Balance end of year	+ 654	•
Federal non-allowable reserves. Balance end of year	+ 655	•
Federal allowable reserves. Balance beginning of year	+ 656	•
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	•
Ontario depletion allowance	+ 658	•
Ontario resource allowance *(Refer to Guide)*	+ 659	•
Ontario current cost adjustment *(Attach schedule)*	+ 661	•
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	•

Subtotal of deductions for this page 650 to 659 + 661 + 675 681 9,738 •
Transfer to page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - - - - - - - - - - - From ± 600 11,134 .

Total of Additions on page 14 - From = 640 9,738 .

Sub Total of deductions on page 14 - - - - - - - - - - - - - - - - - - - From = 681 9,738 .

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year - - - 662 .

ONTTI Gross-up deduction calculation:

Gross-up of CCA

From 662 . x 100 / From 30 100.0000 Ontario Allocation − From 662 . = 663

Workplace Child Care Tax Incentive (WCCT)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: 665 . x 30 % x 100 / From 30 100.0000 Ontario allocation = 666

Workplace Accessibility Tax Incentive (WATI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: 667 . x 100 % x 100 / From 30 100.0000 Ontario allocation = 668

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI)
(***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: 670 . x 30 % x 100 / From 30 100.0000 Ontario allocation = 671

Educational Technology Tax Incentive (ETTI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: 672 . x 15 % x 100 / From 30 100.0000 Ontario allocation = 673

Ontario allowable business investment loss - - - - - - - - - - - - - - - + 678 .

Ontario Scientific Research Expenses claimed in year in 477 **from Ont. CT23 Schedule 161** + 679 .

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) - - - - - - - - - + 677 .

Total of other deductions allowed by Ontario *(Attach schedule)* - - - - - - - - + 664 .

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 9,738 . ▶ 680 9,738 .

Net income (loss) for Ontario Purposes 600 + 640 − 680 - - - - - - - - - - - - - - - - - = 690 11,134 .
Transfer to page 4

DOLLARS ONLY

Continuity of Losses Carried Forward

		Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year		700 (2) 219,628	710 (2)	720 (2)	730	740	750
Add:	Current year's losses (7)	701	711	721	731	741	751
	Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal		703	713	723	733	743	753
Subtract:	Utilized during the year to reduce taxable income	704 (2) 11,134	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
	Expired during the year	705		725	735	745	
	Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal		707 11,134	717	727	737	747	757
Balance at End of Year		709 (8) 208,494	719	729	739	749	759

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1997-12-31	817 (9)	860 (9)		850	870
801 8th preceding taxation year 1998-12-31	818 (9)	861 (9)		851	871
802 7th preceding taxation year 1999-12-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 2000-12-31	820	830	840	853	873
804 5th preceding taxation year 2001-12-31	821	831	841	854	874
805 4th preceding taxation year 2002-12-31	822 112,630	832	842	855	875
806 3rd preceding taxation year 2003-12-31	823 73,336	833	843	856	876
807 2nd preceding taxation year 2004-12-31	824	834	844	857	877
808 1st preceding taxation year 2005-06-30	825 22,528	835	845	858	878
809 Current taxation year 2005-08-08	826	836	846	859	879
Total	829 208,494	839	849	869	889

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance**.
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Ontario Corporation's Tax Account No. (MOF)	Taxation Year Ending year month day	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income						
i) 3rd preceding	901	2003-12-31	911	921	931	941
ii) 2nd preceding	902	2004-12-31	912	922	932	942
iii) 1st preceding	903	2005-06-30	913	923	933	943
Total loss to be carried back			From 706	From 716	From 726	From 736
Balance of loss available for carry-forward			919	929	939	949

Summary

Income Tax	+ From 230 or 320		
Corporate Minimum Tax	+ From 280		
Capital Tax	+ From 550	678 .	
Premium Tax	+ From 590		
Total Tax Payable	= 950	678 .	
Subtract: Payments	− 960		
Capital Gains Refund (s.48)	− 965		
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	− 985		
Specified Tax Credits *(Refer to Guide)*	− 955		
Other, specify _____	−		
Balance	= 970	678 .	
If payment due	Enclosed * 990	678 .	
If overpayment: Refund *(Refer to Guide)*	= 975		
Apply to (year month day)	980		*(Includes credit interest)*

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name *(please print)*

DAVID CLARK

Title

TREASURER

Full Residence Address

Signature	Date
	2006-02-08

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Non-Capital Loss Continuity Workchart – Ontario

Non-capital losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A				N/A	
2005	22,528	N/A		N/A		22,528
2004		N/A		N/A		
2003	73,336	N/A		N/A		73,336
2002	123,764	N/A		N/A	11,134	112,630
2001		N/A		N/A		
2000		N/A		N/A		
1999		N/A		N/A		*
Total	219,628				11,134	208,494

Farm losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A				N/A	
2005		N/A		N/A		
2004		N/A		N/A		
2003		N/A		N/A		
2002		N/A		N/A		
2001		N/A		N/A		
2000		N/A		N/A		
1999		N/A		N/A		
1998		N/A		N/A		
1997		N/A		N/A		
1996		N/A		N/A		*
Total						

Restricted farm losses

Year	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce taxable income	Balance at end of year
Current	N/A				N/A	
2005		N/A		N/A		
2004		N/A		N/A		
2003		N/A		N/A		
2002		N/A		N/A		
2001		N/A		N/A		
2000		N/A		N/A		
1999		N/A		N/A		
1998		N/A		N/A		
1997		N/A		N/A		
1996		N/A		N/A		*
Total						

* This balance expires this year and will not be available next year.

Ontario

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

Ontario Capital Cost Allowance
Schedule 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
SCUGOG HYDRO ENERGY CORPORATION	1800289	2005-08-08

Is the corporation electing under regulation 1101(5q)? 1 ☐ Yes 2 ☒ No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	840,809			0	840,809		840,809	4	0	0	3,594	837,215
8	64,526			0	64,526		64,526	20	0	0	1,379	63,147
2	722,332			0	722,332		722,332	6	0	0	4,631	717,701
12	1,254			0	1,254		1,254	100	0	0	134	1,120
Totals	1,628,921				1,628,921		1,628,921				9,738	1,619,183

Enter in boxes 650 . . . . 650 . . . . 650 on the CT23.

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Scugog Hydro Energy Corporation
Statement of Operations
Actual to August 8, 2005

	2005 Actual Aug 8, 2005 $
Standard Supply Service	
Revenues	
Revenue- Cost of Power	$341,454
Expenses	
Expenses- Cost of Power	341,454
Income(Loss)Standard Supply Service	-
Local Distribution Operations	
Revenues	
Other Revenue	
Distribution Revenues	75,019
Total Revenue	**75,019**
EXPENSES	
Metering Services Expense	
Energy Services Expense	
Operations & Maintenance	54,147
Administration, Building, IT & Finance	
Total Expenses	**54,147**
Depreciation	12,227
Financial Expense	
Interest on Promissory Note	
Allowance for funds used during construction	
Extraordinary Item	
Income (Loss) Distribution Operations	**8,645**
Net Income (Loss) Before Taxes	**8,645**
Payments in Lieu of Taxes	
Net Income (Loss) After Taxes	**8,645**
	0.0%

Scugog Hydro Energy Corporation

Balance Sheet

As at August 08, 2005

	2005 Aug 8, 2005
Assets	
Current Assets	
Cash & Bank	508,800
Inter-Company Accounts	
Customer Accounts Receivable	170,440
Unbilled Accounts Receivable	529,939
Other Current Assets	
Inventory	13,419
Curr Portion of Regulatory Assets	91,384
	1,313,982
Future Income Tax	
Non-Current Assets	
Due From Township of Scugog	140
Goodwill & Intangible Assets	
Other Assets	18,612
Long Term Receivable	
Regulatory Assets	294,290
Fixed Plant	3,748,075
-Accumulated Depreciation	(2,287,377)
Total Assets	**3,087,722**
Liabilities & Equity	
Current Liabilities	
Market Settlement	338,772
Note Payable to Veridian Corporate	
Note Payable to Veridian Energy	
Intercompany Payable	
Current Portion of Customer Deposits	56,447
Other Payables	449,233
	844,452
Long Term Liabilities	
Promissory Notes	
Long Term Debt	
Future Income Taxes	
Regulatory Liabilities	
Employee Future Benefits	
Customer Deposits - Capital Projects	
Customer Deposits - Electricity Purchases	51,389
	51,389
Total Liabilities	895,841
Share Capital	2,183,236
Net Income(Loss) Current Year	8,645
TOTAL LIABILITIES AND EQUITY	**3,087,722**

SCUGOG HYDRO ENERGY CORPORATION
Corp Tax Acct. No. : 1800289

Year Ended: **Attached Sch.**
8-Aug-2005

CCA - 2001	28,221
AMORTIZATION - 2001	(26,889)
CCA - 2002	119,632
AMORTIZATION - 2002	(111,708)
CCA - 2003	103,977
AMORTIZATION - 2003	(110,360)
CCA - 2004	100,508
AMORTIZATION - 2004	(112,501)
CCA - June 30, 2005	47,059
AMORTIZATION - June 30, 2005	(56,745)
CCA - August 8, 2005	9,738
AMORTIZATION - August 8, 2005	(12,227)
Total	(21,295)

SCUGOG HYDRO ENERGY CORPORATION
Corp Tax Acct. No. : 1800289

Year Ended:

Attached Sch.
8-Aug-2005

CCA - 2001	28,221
AMORTIZATION - 2001	(26,889)
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AMORTIZATION - 2003	(110,360)
CCA - 2004	100,508
AMORTIZATION - 2004	(112,501)
CCA - June 30, 2005	47,059
AMORTIZATION - June 30, 2005	(56,745)
CCA - August 8, 2005	9,738
AMORTIZATION - August 8, 2005	(12,227)
Total	(21,295)

Appendix 6 of 6

Financial Statements

Financial Statements of

SCUGOG HYDRO ENERGY CORPORATION

December 31, 2002

Deloitte & Touche LLP
5140 Yonge Street, Suite 1700
Toronto, ON M2N 6L7
Canada

Tel: (416) 601 6150
Fax: (416) 229 2524
www.deloitte.ca

Deloitte & Touche

Auditors' Report

To the Commissioners, Members of Council, Inhabitants and
Ratepayers of the Corporation of the Township of Scugog

We have audited the balance sheet of the Scugog Hydro Energy Corporation as at December 31, 2002 and the statements of revenue, expenditure and accumulated operating deficit and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Scugog Hydro Energy Corporation as at December 31, 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
April 11, 2003

SCUGOG HYDRO ENERGY CORPORATION
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December 31, 2002

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Statement of Revenue, Expenditure and Accumulated Operating Deficit	2
Statement of Cash Flows	3
Notes to the Financial Statements	4-10

SCUGOG HYDRO ENERGY CORPORATION
Balance Sheet
December 31, 2002

	2002	2001
ASSETS		
CURRENT		
Cash	**$ 474,093**	$ 557,612
Accounts receivable	**281,232**	446,414
Unbilled revenue	**485,004**	252,646
Inventory	**12,430**	13,529
Due from Township of Scugog	**4,334**	3,739
Prepaid expenses and deposits	**17,415**	20,039
	1,274,508	1,293,979
CAPITAL ASSETS (Note 3)	**1,597,937**	1,617,933
OTHER ASSETS		
Transition costs	**12,500**	12,500
	$ 2,884,945	$ 2,924,412
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	**$ 805,478**	$ 500,091
Current portion of customer deposits	**14,629**	29,790
Customer credit balances	**20,904**	13,712
	841,011	543,593
LONG TERM DEBT (Note 4)	**1,265,878**	1,265,878
OTHER LIABILITIES		
Consumer and other deposits, less amount included under current liabilities	**131,661**	102,547
	2,238,550	1,912,018
SHAREHOLDER'S EQUITY		
SHARE CAPITAL		
Authorized		
Unlimited number of common shares		
Issued		
100 common shares	**1,265,878**	1,265,878
ACCUMULATED OPERATING DEFICIT	**(619,483)**	(250,484)
	646,395	1,015,394
	$ 2,884,945	$ 2,927,412

APPROVED BY THE BOARD

..... Director

..... Director

SCUGOG HYDRO ENERGY CORPORATION
Statement of Revenue, Expenditure and Accumulated Operating Deficit
Year ended December 31, 2002

	2002	2001
REVENUE	**$ 3,819,981**	$ 3,566,164
ENERGY COST	**3,532,685**	3,120,684
GROSS MARGIN ON ENERGY SOLD	**287,296**	445,480
Other income		
Interest	**12,489**	32,845
Late payment penalties	**9,264**	21,510
Miscellaneous	**21,525**	32,232
	43,278	86,587
	330,574	532,067
EXPENDITURE		
Operation maintenance	**156,393**	164,708
Administration	**355,868**	329,456
Financial expense	**75,604**	38,295
Amortization of capital assets and capital contributions	**111,708**	105,115
	699,573	637,574
EXCESS OF EXPENDITURE OVER REVENUE	**(368,999)**	(105,507)
ACCUMULATED OPERATING DEFICIT , BEGINNING OF YEAR	**(250,484)**	(144,977)
ACCUMULATED OPERATING DEFICIT, END OF YEAR	**$ (619,483)**	$ (250,484)

SCUGOG HYDRO ENERGY CORPORATION
Statement of Cash Flows
Year ended December 31, 2002

	2002	2001
NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of expenditure over revenue	**($368,999)**	($105,507)
Items not affecting cash		
Amortization of capital contributions	**(12,606)**	(4,239)
Amortization of capital assets	**124,314**	109,354
	(257,291)	(392)
Changes in non-cash working capital components		
Accounts receivable	**168,182**	18,861
Unbilled revenue	**(232,358)**	(46,016)
Inventory	**1,099**	(4,476)
Due from Township of Scugog	**(595)**	1,548
Prepaid expenses and deposits	**2,624**	(9,475)
Accounts payable and accrued charges, and customer credit balances	**312,579**	(12,059)
	(5,760)	(52,009)
INVESTING		
Additions to capital assets	**(300,847)**	(159,118)
FINANCING		
Capital contributions	**209,135**	106,019
Increase in consumer and other deposits	**13,953**	4,310
	223,088	110,329
NET CASH OUTFLOW	**(83,519)**	(100,798)
CASH POSITION, BEGINNING OF YEAR	**557,612**	658,410
CASH POSITION, END OF YEAR	**$ 474,093**	$ 557,612
SUPPLEMENTARY INFORMATION		
Interest paid	**$ 75,604**	$ 38,295

1. NATURE OF OPERATION

Scugog Hydro Energy Corporation "the Corporation" was incorporated November 1, 1999 under the laws of the Province of Ontario.

The Corporation is wholly-owned by the Township of Scugog.

The principal activity of the corporation is to distribute electricity to the Township of Scugog, under the license issued by the Ontario Energy Board.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and reflect the following policies as set forth in the Accounting Procedures Manual issued by the Ontario Energy Board under the authority of the Ontario Energy Board Act, 1998.

Inventory

Meters are valued at cost on a specific-item basis.

Regulation

The Scugog Hydro Energy Corporation is regulated by the Ontario Energy Board "OEB" and any power rate adjustments require OEB approval.

Capital assets

Capital assets purchased or constructed by the Corporation are recorded as an asset at cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets.

The estimated service lives of the various assets used in calculating amortization are as follows:

Building	50-60 years
Plant and equipment	3-10 years
Transmission and distribution system	15-35 years
Office equipment	5-10 years

Transitional costs

Costs, which have been incurred for the purpose of transitioning the Hydro into the open market, are recorded as transition costs on the balance sheet. These items are not subject to amortization during the current period and will not be amortized until such time as the timing and mechanism for recovery of these costs has been determined by the Ontario Energy Board.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Energy and distribution revenue is recorded on the basis of regular meter readings plus estimates of customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power consumed.

Contributions in aid of construction

Contributions in aid of construction consist of third party contributions toward the cost of constructing distribution assets and may be refunded by the Corporation based on future economic evaluations, in accordance with the OEB Distribution System Code. They are accounted for as reductions to the cost of related capital assets and are amortized at rates corresponding to the useful lives of the related capital assets.

Payment in lieu of income taxes

Under the Electricity Act, 1998, the Corporation is required to make payments-in-lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC), commencing October 1, 2001. These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes.

The Corporation, regulated by the Ontario Energy Board, provides for payments-in-lieu of corporate income taxes using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Rate-regulated enterprises need not recognize future income taxes to the extent that future income taxes are expected to be included in the rates charged to and recovered from future customers.

Payments-in-lieu of income taxes are henceforth referred to as income taxes.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. CAPITAL ASSETS

	2002			2001
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 69,469	$ -	$ 69,469	$ 69,469
Building, plant and equipment	495,227	282,756	212,471	189,559
Transmission and distribution system	3,331,710	1,727,192	1,604,518	1,450,080
Other equipment	12,236	2,447	9,789	10,605
	3,908,642	2,012,395	1,896,247	1,719,713
Contributions in aid of construction	(315,157)	(16,847)	(298,310)	(101,780)
	$3,593,485	$ 1,995,548	$1,597,937	$ 1,617,933

Amortization provided for the current year totalled $111,708 (2001 – $105,115).

4. LONG-TERM DEBT

	2002	2001
Promissory note issued to the Township of Scugog, interest at approximately 7-1/4% (on OEB regulated rate basis), no specific terms of repayment, unsecured (management has arranged to defer repayment until after December 31, 2003)	$ 1,265,878	$ 1,265,878

Interest on long-term debt is $74,528 (2001- $38,295)

5. SERVICE AGREEMENT BETWEEN WHITBY HYDRO ENERGY SERVICES CORPORATION AND SCUGOG HYDRO ENERGY CORPORATION

Effective July 1, 2000 a master service agreement was made between Whitby Hydro Energy Services Corporation and Scugog Hydro Energy Corporation whereby Whitby Hydro has agreed to provide day-to-day operation, maintenance and repair of Scugog Hydro's electrical distribution system and to provide all related customer services. In addition, certain employees of Scugog Hydro were transferred to and became employees of Whitby Hydro, as well, Whitby Hydro acquired certain equipment and inventory from Scugog Hydro in connection with this master service agreement.

6. INCOME TAXES

The Corporation became obligated to make payments-in-lieu of taxes on October 1, 2001. There were no income or capital taxes in the periods prior to October 1, 2001.

The provision for income taxes under the taxes payable method for the year is $Nil (2001 - $Nil).

Future income taxes have not been recorded in the accounts as they are expected to be reflected through future distribution revenues. As at December 31, 2002, future income tax assets of $211,375 (2001 - $100,233) have not been recorded. Future income tax benefits of $111,142 (2001 – $100,233) have not been reflected in the income tax provision for the year ended December 31, 2002.

Significant components of the Corporation's future taxes as at December 31 are as follows:

	2002	2001
Tax benefit of loss carry forwards	**$ 157,394**	$ 43,865
Plant and equipment	**53,981**	56,368
Net future income tax asset	**$ 211,375**	$ 100,233

The Corporation has income tax losses carried forward of $522,557 (2001 - $145,634) which begin to expire in 2008. Had the Corporation accounted for income taxes under the liability method, the benefit of these losses would have been reflected as a reduction to income tax expense of $157,394 (2001 - $43,865).

A reconciliation between loss per financial statements and loss for income tax purposes is provided as follows:

	2002	2001
Loss before provision for income taxes	**$ (368,999)**	$ (105,507)
Less income prior to October 1, 2001 not subject to tax	**-**	(38,795)
Capital cost allowance in excess of amortization	**(7,924)**	(1,332)
Loss for tax purposes	**$ (376,923)**	$ (145,634)

The prior year future income tax asset figures have been restated for comparative purposes due to a valuation that was performed on the capital assets to determine their fair market value as at October 1, 2001, as Regulation 162/01 under the Electricity Act, 1998, deemed the property to have been acquired at fair market on that date. The valuation was completed in July 2002.

7. RELATED PARTY TRANSACTIONS

The following summarizes the Corporation's related party transactions with the Township of Scugog for the year ended December 31, 2002.

Revenue	
Energy	$ 13,004
Street lighting	38,121
	$ 51,125

Expenditures	
Wages and benefits	$ 23,567
Other	497
Interest on long-term debt	72,000
	$ 96,064

8. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of financial instruments that are included in the financial statements approximate the carrying amount due to the short-term maturity of those instruments. The fair value of long-term debt has not been determined due to the fact that the future terms of the promissory notes are indefinite.

Credit risk

Credit risk results from the potential that a counter party will fail to perform its obligations. Accounts receivable are widely dispersed among numerous customers and hence the risk of significant credit loss is remote.

Interest rate risk

The Corporation has limited interest rate risk as its principal debt obligations bear fixed rates of interest.

9. INTEREST IN LIMITED PARTNERSHIP

The Corporation is a limited partner of EnerConnect, a power procurement partnership. Scugog Hydro Energy Corporation has a .397% interest in this partnership. The investment of $12,000 was expensed in the years in which it was made.

10. FUTURE COMMITMENTS

The corporation has entered into an agreement with a service provider, which expires in 2005. The corporation is obligated to make the following payments under this agreement:

2003	$ 11,200
2004	11,200
2005	3,700
	$ 26,100

11. CLASS ACTION OF LATE PAYMENT CHARGES

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

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

The Municipal Electric Association is undertaking the defense of the class action. At this time it is not possible to quantify the effect, if any, on the financial statements of Scugog Hydro Energy Corporation.

12. REGULATORY ASSETS

The provincial government, through the issuance of Bill 210, has imposed a distribution rate price freeze until 2006. As a result, the following regulatory assets have been expensed for 2002 (with exception of qualifying transition costs) as they do not meet the criteria for asset recognition as required by GAAP. According to Bill 210, recovery of these assets through rates is expected to commence in 2006.

Regulatory assets (excluding carrying charges)

Pre-market opening energy variance	$ 74,119
Government cheque rebate program	2,910
Retail cost Variance	
Retail Services	3,355
STR requests and processing	2,367
Retail Settlement Variance	
Transmission Network charge	25,583
Transmission connection charge	18,512
Wholesale market service	73,631
Power energy cost	43,111
	$ 243,588

13. PRIOR YEAR'S FINANCIAL STATEMENTS

Certain of the prior year's figures have been reclassified to conform with the current year's presentation.

Financial Statements of

SCUGOG HYDRO ENERGY CORPORATION

December 31, 2003

Deloitte.

Deloitte & Touche LLP
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

Tel: (416) 601-6150
Fax: (416) 601-6151
www.deloitte.ca

Auditors' Report

To the Shareholder of
Scugog Hydro Energy Corporation

We have audited the balance sheet of the Scugog Hydro Energy Corporation as at December 31, 2003 and the statements of earnings and deficit and of cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Scugog Hydro Energy Corporation as at December 31, 2003 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
April 15, 2004

SCUGOG HYDRO ENERGY CORPORATION
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SCUGOG HYDRO ENERGY CORPORATION
Balance Sheet
December 31, 2003

	2003	2002
ASSETS		
CURRENT		
Cash	**$ 709,234**	$ 474,093
Accounts receivable	**131,771**	281,232
Unbilled revenue	**451,254**	485,004
Inventory	**8,680**	12,430
Due from Township of Scugog	**85**	4,334
Prepaid expenses and deposits	**18,518**	17,415
	1,319,542	1,274,508
CAPITAL ASSETS (Note 3)	**1,542,282**	1,597,937
OTHER ASSET		
Transition costs	**8,905**	12,500
	$ 2,870,729	$ 2,884,945
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	**$ 848,815**	$ 805,478
Current portion of customer deposits	**15,618**	14,629
Customer credit balances	**23,929**	20,904
	888,362	841,011
LONG TERM DEBT (Note 4)	**1,265,878**	1,265,878
OTHER LIABILITIES		
Consumer and other deposits, less amount included under current liabilities	**152,499**	131,661
	2,306,739	2,238,550
SHAREHOLDER'S EQUITY		
SHARE CAPITAL		
Authorized		
Unlimited number of common shares		
Issued		
100 common shares	**1,265,878**	1,265,878
DEFICIT	**(701,888)**	(619,483)
	563,990	646,395
	$ 2,870,729	$ 2,884,945

APPROVED BY THE BOARD

..... Director

..... Director

SCUGOG HYDRO ENERGY CORPORATION
Statement of Earnings and Deficit
Year ended December 31, 2003

	2003	2002
REVENUE (Note 7)	**$ 3,891,988**	$ 3,819,981
ENERGY COST	**3,388,947**	3,532,685
GROSS MARGIN ON ENERGY SOLD	**503,041**	287,296
OTHER INCOME		
Interest	**21,041**	12,489
Late payment penalties	**15,279**	9,264
Miscellaneous	**26,880**	21,525
	63,200	43,278
	566,241	330,574
EXPENDITURE (Note 7)		
Operation maintenance	**141,281**	156,393
Administration	**320,719**	355,868
Financial expense	**76,286**	75,604
Amortization of capital assets and capital contributions	**110,360**	111,708
	648,646	699,573
NET LOSS	**(82,405)**	(368,999)
DEFICIT, BEGINNING OF YEAR	**(619,483)**	(250,484)
DEFICIT, END OF YEAR	**$ (701,888)**	$ (619,483)

SCUGOG HYDRO ENERGY CORPORATION
Statement of Cash Flows
Year ended December 31, 2003

	2003	2002
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net loss	**$ (82,405)**	$ (368,999)
Items not affecting cash		
Amortization of transition costs	**3,595**	-
Amortization of capital contributions	**(14,274)**	(12,606)
Amortization of capital assets	**124,634**	124,314
	31,550	(257,291)
Changes in non-cash working capital components		
Accounts receivable	**149,461**	168,182
Unbilled revenue	**33,750**	(232,358)
Inventory	**3,750**	1,099
Due from Township of Scugog	**4,249**	(595)
Prepaid expenses and deposits	**(1,103)**	2,624
Accounts payable and accrued charges, and customer credit balances	**46,362**	312,579
	268,019	(5,760)
INVESTING		
Additions to capital assets	**(96,398)**	(300,847)
FINANCING		
Capital contributions	**41,693**	209,135
Increase in consumer and other deposits	**21,827**	13,953
	63,520	223,088
NET CASH INFLOW (OUTFLOW)	**235,141**	(83,519)
CASH POSITION, BEGINNING OF YEAR	**474,093**	557,612
CASH POSITION, END OF YEAR	**$ 709,234**	$ 474,093
SUPPLEMENTARY INFORMATION		
Interest paid	**$ 76,286**	$ 75,604

1. NATURE OF OPERATION

Scugog Hydro Energy Corporation "the Corporation" was incorporated November 1, 1999 under the laws of the Province of Ontario.

The Corporation is wholly-owned by the Township of Scugog.

The principal activity of the corporation is to distribute electricity to the Township of Scugog, under the license issued by the Ontario Energy Board ("OED").

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and reflect the following policies as set forth in the Accounting Procedures Manual issued by the Ontario Energy Board under the authority of the Ontario Energy Board Act, 1998.

Inventory

Meters are valued at cost on a specific-item basis.

Regulation

The Scugog Hydro Energy Corporation is regulated by the Ontario Energy Board "OEB" and any power rate adjustments require OEB approval.

Capital assets

Capital assets purchased or constructed by the Corporation are recorded as an asset at cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets.

The estimated service lives of the various assets used in calculating amortization are as follows:

Building	50-60 years
Plant and equipment	3-10 years
Transmission and distribution system	15-35 years
Office equipment	5-10 years

Transitional costs

Costs, which have been incurred for the purpose of transitioning the Hydro into the open market, are recorded as transition costs on the balance sheet. These costs are amortized at the rate determined by the Ontario Energy Board.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Energy and distribution revenue is recorded on the basis of regular meter readings plus estimates of customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power consumed.

Contributions in aid of construction

Contributions in aid of construction consist of third party contributions toward the cost of constructing distribution assets and may be refunded by the Corporation based on future economic evaluations, in accordance with the OEB Distribution System Code. They are accounted for as reductions to the cost of related capital assets and are amortized at rates corresponding to the useful lives of the related capital assets.

Payment in lieu of income taxes

Under the Electricity Act, 1998, the Corporation is required to make payments-in-lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC), commencing October 1, 2001. These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes.

The Corporation, regulated by the Ontario Energy Board, provides for payments-in-lieu of corporate income taxes using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Rate-regulated enterprises need not recognize future income taxes to the extent that future income taxes are expected to be included in the rates charged to and recovered from future customers.

Payments-in-lieu of income taxes are henceforth referred to as income taxes.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. CAPITAL ASSETS

	2003			2002
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 69,469		$ 69,469	$ 69,469
Building, plant and equipment	496,373	297,220	199,153	212,471
Transmission and distribution system	3,426,960	1,836,544	1,590,416	1,604,518
Other equipment	12,236	3,263	8,973	9,789
	4,005,038	2,137,027	1,868,011	1,896,247
Contributions in aid of construction	(356,850)	(31,121)	(325,729)	(298,310)
	$ 3,648,188	$ 2,105,906	$ 1,542,282	$ 1,597,937

Amortization provided for the current year totalled $110,360 (2002 - $111,708).

4. LONG-TERM DEBT

	2003	2002
5.69% promissory note issued to the Township of Scugog. The Township has the option of calling the principal amount in whole or in part with notice of twelve months. As at the date of reporting, the Township of Scugog does not anticipate calling this note before January 1, 2005.	$ 1,265,878	$ 1,265,878

Interest on long-term debt is $72,000 (2002 - $72,000).

5. SERVICE AGREEMENT BETWEEN WHITBY HYDRO ENERGY SERVICES CORPORATION AND SCUGOG HYDRO ENERGY CORPORATION

Effective July 1, 2000 a master service agreement was made between Whitby Hydro Energy Services Corporation ("Whitby Hydro") and Scugog Hydro Energy Corporation ("Scugog Hydro") whereby Whitby Hydro has agreed to provide day-to-day operation, maintenance and repair of Scugog Hydro's electrical distribution system and to provide all related customer services. In addition, certain employees of Scugog Hydro were transferred to and became employees of Whitby Hydro, as well, Whitby Hydro acquired certain equipment and inventory from Scugog Hydro in connection with this master service agreement.

6. INCOME TAXES

The Corporation became obligated to make payments-in-lieu of taxes on October 1, 2001. There were no income or capital taxes in the periods prior to October 1, 2001.

The provision for income taxes under the taxes payable method for the year is $nil (2002 - $Nil).

Future income taxes have not been recorded in the accounts as they are expected to be reflected through future distribution revenues. As at December 31, 2003, future income tax assets of $284,546 (2002 - $211,375) have not been recorded. Future income tax benefits of $73,172 (2002 - $111,142) have not been reflected in the income tax provision for the year ended December 31, 2003.

Significant components of the Corporation's future taxes as at December 31 are as follows:

	2003	2002
Tax benefit of loss carry forwards	**$ 216,207**	$ 157,394
Plant and equipment	**68,340**	53,981
Net future income tax asset	**$ 284,547**	$ 211,375

The Corporation has income tax losses carried forward of $598,581 (2002 - $522,557) which begin to expire in 2008.

7. RELATED PARTY TRANSACTIONS

The following summarizes the Corporation's related party transactions with the Township of Scugog for the year ended December 31, 2003.

Revenue	
Energy	**$ 11,798**
Street lighting	**41,631**
	$ 53,429

Expenditures	
Wages and benefits	**$ 17,877**
Other	**2,187**
Interest on long-term debt	**72,000**
	$ 92,064

8. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of financial instruments that are included in the financial statements approximate the carrying amount due to the short-term maturity of those instruments. The fair value of long-term debt has not been determined due to the fact that the future terms of the promissory notes are indefinite.

Credit risk

Credit risk results from the potential that a counter party will fail to perform its obligations. Accounts receivable are widely dispersed among numerous customers and hence the risk of significant credit loss is remote.

Interest rate risk

The Corporation has limited interest rate risk as its principal debt obligations bear fixed rates of interest.

9. INTEREST IN LIMITED PARTNERSHIP

The Corporation is a limited partner of EnerConnect, a power procurement partnership. Scugog Hydro Energy Corporation has a .4% interest in this partnership. The investment of $12,000 was expensed in the years in which it was made.

10. CLASS ACTION OF LATE PAYMENT CHARGES

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

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

The Municipal Electric Association is undertaking the defense of the class action. At this time it is not possible to quantify the effect, if any, on the financial statements of Scugog Hydro Energy Corporation.

11. REGULATORY ASSETS

	2003	2002 (Restated Note 12)
Regulatory assets		
Deferred payments in lieu of taxes	$ (1,751)	$ 6,925
Qualifying transition costs	(2,624)	11,529
Pre-market opening energy variance	-	74,119
Government cheque rebate program	-	2,910
Retail cost variance		
Retail services	5,650	3,355
STR requests and processing	-	2,367
Retail settlement variance		
Transmission network charge	12,620	26,393
Transmission connection charge	6,449	19,157
Wholesale market service	11,788	75,102
Power energy cost	74,804	48,149
	$ 106,936	$ 270,006

The provincial government, has imposed limited rate price increases. As a result, regulatory assets have been expensed for 2002 and 2003 (with exception of qualifying transition costs) as they do not meet the criteria for asset recognition as required by GAAP.

12. PRIOR YEAR'S FINANCIAL STATEMENTS

Certain of the prior year's figures have been reclassified to conform with the current year's basis of presentation.

Financial Statements of

SCUGOG HYDRO ENERGY CORPORATION

December 31, 2004

Deloitte.

Deloitte & Touche LLP
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

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Auditors' Report

To the Shareholder of
Scugog Hydro Energy Corporation

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

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

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

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
April 8, 2005

SCUGOG HYDRO ENERGY CORPORATION
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SCUGOG HYDRO ENERGY CORPORATION
Balance Sheet
December 31, 2004

	2004	2003
ASSETS		
CURRENT		
Cash	**$ 516,751**	$ 709,234
Accounts receivable	**188,150**	131,771
Unbilled revenue	**520,455**	451,254
Inventory	**14,668**	8,680
Due from Township of Scugog	**4,671**	85
Prepaid expenses and deposits	**18,632**	18,518
Regulatory assets (Note 11)	**84,485**	-
	1,347,812	1,319,542
CAPITAL ASSETS (Note 3)	**1,485,635**	1,542,282
REGULATORY ASSETS (Note 11)	**336,591**	8,905
	$ 3,170,038	$ 2,870,729
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	**$ 790,260**	$ 848,815
Current portion of customer deposits	**63,539**	15,618
Customer credit balances	**49,633**	23,929
Promissory Note (Note 4)	**1,265,878**	-
	2,169,310	888,362
PROMISSORY NOTE (Note 4)	**-**	1,265,878
OTHER LIABILITIES		
Consumer and other deposits, less amount included under current liabilities	**51,156**	152,499
	2,220,466	2,306,739
SHAREHOLDER'S EQUITY		
SHARE CAPITAL		
Authorized		
Unlimited number of common shares		
Issued		
100 common shares	**1,265,878**	1,265,878
DEFICIT	**(316,306)**	(701,888)
	949,572	563,990
	$ 3,170,038	$ 2,870,729

APPROVED BY THE BOARD

..... Director

..... Director

SCUGOG HYDRO ENERGY CORPORATION
Statement of Earnings and Deficit
Year ended December 31, 2004

	2004	2003
REVENUE (Note 7)	$ 4,070,097	$ 3,891,988
ENERGY COST	3,497,682	3,388,947
GROSS MARGIN	572,415	503,041
OTHER INCOME		
Regulatory asset recoveries (Note 11)	412,875	-
Interest	13,374	21,041
Late payment penalties	11,542	15,279
Miscellaneous	29,020	26,880
	466,811	63,200
	1,039,226	566,241
EXPENDITURE (Note 7)		
Operation maintenance	143,441	141,281
Administration	322,852	320,719
Financial expense	74,851	76,286
Amortization of capital assets and capital contributions	112,500	110,360
	653,644	648,646
NET INCOME (LOSS)	385,582	(82,405)
DEFICIT, BEGINNING OF YEAR	(701,888)	(619,483)
DEFICIT, END OF YEAR	$ (316,306)	$ (701,888)

SCUGOG HYDRO ENERGY CORPORATION
Statement of Cash Flows
Year ended December 31, 2004

	2004	2003
NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net income (loss)	**$ 385,582**	$ (82,405)
Items not affecting cash		
Amortization of regulatory assets	**704**	-
Amortization of capital contributions	**(14,730)**	(14,274)
Amortization of capital assets	**127,230**	124,634
	498,786	27,955
Changes in non-cash working capital components		
Accounts receivable	**(56,379)**	149,461
Unbilled revenue	**(69,201)**	33,750
Inventory	**(5,988)**	3,750
Due from Township of Scugog	**(4,586)**	4,249
Prepaid expenses and deposits	**(114)**	(1,103)
Accounts payable and accrued charges, and customer credit balances	**(32,851)**	46,362
	329,667	264,424
INVESTING		
Regulatory assets	**(412,875)**	3,595
Additions to capital assets	**(67,260)**	(96,398)
	(480,135)	(92,803)
FINANCING		
Capital contributions	**11,407**	41,693
Decrease in consumer and other deposits	**(53,422)**	21,827
	(42,015)	63,520
NET CASH (OUTFLOW) INFLOW	**(192,483)**	235,141
CASH POSITION, BEGINNING OF YEAR	**709,234**	474,093
CASH POSITION, END OF YEAR	**$ 516,751**	$ 709,234
SUPPLEMENTARY INFORMATION		
Interest paid	**$ 74,851**	$ 76,286

1. NATURE OF OPERATION

Scugog Hydro Energy Corporation "the Corporation" was incorporated November 1, 1999 under the laws of the Province of Ontario.

The Corporation is wholly-owned by the Township of Scugog.

The principal activity of the corporation is to distribute electricity to the Township of Scugog, under the license issued by the Ontario Energy Board ("OEB").

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and reflect the following policies as set forth in the Accounting Procedures Manual issued by the Ontario Energy Board under the authority of the Ontario Energy Board Act, 1998.

Inventory

Meters are valued at cost on a specific-item basis.

Regulation

The Scugog Hydro Energy Corporation is regulated by the Ontario Energy Board "OEB" and any power rate adjustments require OEB approval.

Capital assets

Capital assets purchased or constructed by the Corporation are recorded as an asset at cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets.

The estimated service lives of the various assets used in calculating amortization are as follows:

Building	50-60 years
Plant and equipment	3-10 years
Transmission and distribution system	15-35 years
Office equipment	5-10 years

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Regulatory assets

Regulatory assets primarily represent costs that have been deferred because it is probable that they will be recovered through future rates. The Corporation accrues carrying charges on certain regulatory assets as allowed by the OEB. The Minister of Energy issued a letter dated December 19, 2003 (the "Minister's letter") stating an intention to allow electricity distributors to make application to the OEB to recover regulatory assets (based on year-end balances as at December 31, 2002) to be phased in over a four year period effective March 1, 2004.

Revenue recognition

Energy and distribution revenue is recorded on the basis of regular meter readings plus estimates of customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power consumed.

Impairment of long-lived assets

Effective January 1, 2004, the Corporation adopted the new Canadian accounting standard for impairment of long-lived assets, which requires that an impairment loss be recognized when events or circumstances indicate that the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. Any resulting impairment loss is recorded in the period in which the impairment occurs.

The Corporation has determined that there was no impairment of long-lived assets as at December 31, 2004.

Contributions in aid of construction

Contributions in aid of construction consist of third party contributions toward the cost of constructing distribution assets and may be refunded by the Corporation based on future economic evaluations, in accordance with the OEB Distribution System Code. They are accounted for as reductions to the cost of related capital assets and are amortized at rates corresponding to the useful lives of the related capital assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Payment in lieu of income taxes

Under the Electricity Act, 1998, the Corporation is required to make payments-in-lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC), commencing October 1, 2001. These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes.

The Corporation, regulated by the Ontario Energy Board, provides for payments-in-lieu of corporate income taxes using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Rate-regulated enterprises need not recognize future income taxes to the extent that future income taxes are expected to be included in the rates charged to and recovered from future customers.

Payments-in-lieu of income taxes are henceforth referred to as income taxes.

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. CAPITAL ASSETS

	2004			2003
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 69,469	$ -	$ 69,469	$ 69,469
Building, plant and equipment	501,048	310,984	190,064	199,153
Transmission and distribution system	3,484,572	1,948,200	1,536,372	1,590,416
Other equipment	17,211	5,074	12,137	8,973
	4,072,300	2,264,258	1,808,042	1,868,011
Contributions in aid of construction	(368,258)	(45,851)	(322,407)	(325,729)
	$ 3,704,042	$ 2,218,407	$ 1,485,635	$ 1,542,282

Amortization provided for the current year totalled $112,500 (2003 - $110,360).

4. PROMISSORY NOTE

	2004	2003
5.69% promissory note issued to the Township of Scugog. The Township has the option of calling the principal amount in whole or in part with notice of twelve months. Pursuant to the share purchase agreement (Note 13) this promissory note shall be converted to equity prior to closing of the related share purchase transaction.	$ 1,265,878	$ 1,265,878
Less: amount included in current liabilities	(1,265,878)	-
	$ -	$ 1,265,878

Interest on the promissory note is $72,000 (2003 - $72,000).

5. SERVICE AGREEMENT BETWEEN WHITBY HYDRO ENERGY SERVICES CORPORATION AND SCUGOG HYDRO ENERGY CORPORATION

Effective July 1, 2000 a master service agreement was made between Whitby Hydro Energy Services Corporation ("Whitby Hydro") and Scugog Hydro Energy Corporation ("Scugog Hydro") whereby Whitby Hydro has agreed to provide day-to-day operation, maintenance and repair of Scugog Hydro's electrical distribution system and to provide all related customer services. In addition, certain employees of Scugog Hydro were transferred to and became employees of Whitby Hydro, as well, Whitby Hydro acquired certain equipment and inventory from Scugog Hydro in connection with this master service agreement.

6. INCOME TAXES

The Corporation became obligated to make payments-in-lieu of taxes on October 1, 2001. There were no income or capital taxes in the periods prior to October 1, 2001.

The provision for income taxes under the taxes payable method for the year is $Nil (2003 - $Nil).

Future income taxes have not been recorded in the accounts as they are expected to be reflected through future distribution revenues. As at December 31, 2004 net, future income tax assets of $111,704 (2003 - $284,547) have not been recorded. Consequently, the change in future income tax assets of $172,843 (2003 - future income tax assets of $73,172) have not been reflected in the income tax provision for the year ended December 31, 2004.

6. INCOME TAXES (continued)

Significant components of the Corporation's future taxes as at December 31 are as follows:

	2004	2003
Tax benefit of loss carry forwards	**$ 187,910**	$ 216,207
Plant and equipment	**75,887**	68,340
Regulatory assets	**(152,093)**	-
Net future income tax asset	**$ 111,704**	$ 284,547

The Corporation has income tax losses carried forward of $520,237 (2003 - $598,581) which begin to expire in 2008.

7. RELATED PARTY TRANSACTIONS

The following summarizes the Corporation's related party transactions with the Township of Scugog for the year ended December 31, 2004.

Revenue	
Energy	**$ 13,118**
Street lighting	**45,396**
Expenditures	
Wages and benefits	**$ 16,026**
Other	**2,288**
Interest on long-term debt	**72,000**

8. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of financial instruments that are included in the financial statements approximate the carrying amount due to the short-term maturity of those instruments. The fair value of long-term debt has not been determined due to the fact that the future terms of the promissory notes are indefinite.

Credit risk

Credit risk results from the potential that a counter party will fail to perform its obligations. Accounts receivable are widely dispersed among numerous customers and hence the risk of significant credit loss is remote.

Interest rate risk

The Corporation has limited interest rate risk as its principal debt obligations bear fixed rates of interest.

9. INTEREST IN LIMITED PARTNERSHIP

The Corporation is a limited partner of EnerConnect, a power procurement partnership. Scugog Hydro Energy Corporation has a .4% interest in this partnership. The investment of $12,000 was expensed in the years in which it was made.

10. CLASS ACTION OF LATE PAYMENT CHARGES

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

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

The Municipal Electric Association is undertaking the defense of the class action. At this time it is not possible to quantify the effect, if any, on the financial statements of Scugog Hydro Energy Corporation.

11. REGULATORY ASSETS

a. Regulatory assets arise as a result of the rate-making process and consist of the following:

	2004	2003
Deferred qualifying transaction costs	$ 8,201	$ 8,905
Pre-market opening cost of power variances	84,311	79,162
	92,512	88,067
Retail cost variance account	13,759	9,488
Other regulatory assets	8,131	6,978
Retail settlement variance account	384,496	274,462
Payment in lieu of taxes	8,905	5,392
Amounts recovered through billings	(51,404)	-
Net regulatory assets	456,399	384,387
Provision for above regulatory assets	(35,323)	(375,482)
	421,076	8,905
Less current portion	84,485	-
	$ 336,591	$ 8,905

11. REGULATORY ASSETS (continued)

b. Regulatory asset recoveries:

The provincial government, has allowed electricity distributors to recover regulatory assets in their rates beginning March 1, 2004. As a result, there was a change in the related management estimate and $412,875 of regulatory assets and related carrying charges have been effectively recognized commencing in the 2004 fiscal year. As a result, current regulatory assets have increased by $84,485, long-term regulatory assets have increased by $328,390 and deficit as at December 31, 2004 has decreased by $412,875. As well, net income for the year ended December 31, 2004 has increased by $412,875.

12. GUARANTEES

In the normal course of business, the Company enters into agreements that meet the definition of a guarantee. The Company's primary guarantees subject to the disclosure requirements are as follows:

(a) Indemnity has been provided to all directors and or officers of the Company for various items including, but not limited to, all costs to settle suits or actions due to association with the Company, subject to certain restrictions. The Company has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the Company. The maximum amount of any potential future payment cannot be reasonably estimated.

(b) In the normal course of business, the Company has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Company to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Company has not made any significant payments under such or similar indemnification agreements and therefore no amount bas been accrued in the balance sheet with respect to these agreements.

13. SUBSEQUENT EVENT

Pursuant to a share purchase agreement dated March 24, 2005, 100% of Scugog Hydro Energy Corporation's shares were sold to Veridian Connections Inc. for consideration of $3,450,000, subject to "OEB" approval.

Financial Statements of

SCUGOG HYDRO ENERGY CORPORATION

June 30, 2005

Deloitte.

Deloitte & Touche LLP
5140 Yonge Street
Suite 1700
Toronto ON M2N 6L7
Canada

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Auditors' Report

To the Shareholder of
Scugog Hydro Energy Corporation

We have audited the balance sheet of Scugog Hydro Energy Corporation as at June 30, 2005 and the statements of earnings and deficit and of cash flows for the six month period then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of Scugog Hydro Energy Corporation as at June 30, 2005 and the results of its operations and cash flows for the six month period then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
September 23, 2005

Member of
Deloitte Touche Tohmatsu

SCUGOG HYDRO ENERGY CORPORATION
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SCUGOG HYDRO ENERGY CORPORATION
Balance Sheet
June 30, 2005

	2005 (June 30)	2004 (December 31)
ASSETS		
CURRENT		
Cash	**$ 487,928**	$ 516,751
Accounts receivable	**170,440**	188,150
Unbilled revenue	**529,939**	520,455
Inventory	**13,419**	14,668
Due from Township of Scugog	**140**	4,671
Prepaid expenses and other assets	**18,612**	18,632
Regulatory assets (Note 13)	**91,384**	84,485
	1,311,862	1,347,812
CAPITAL ASSETS (Note 4)	**1,472,925**	1,485,635
REGULATORY ASSETS (Notes 3 and 13)	**294,290**	294,893
	$ 3,079,077	$ 3,128,340
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	**$ 777,653**	$ 790,260
Current portion of customer deposits	**56,447**	63,539
Customer credit balances	**10,352**	49,633
Promissory note (Note 5)	**-**	1,265,878
	844,452	2,169,310
OTHER LIABILITIES		
Consumer and other deposits, less amount included under current liabilities	**51,389**	51,156
	895,841	2,220,466
SHAREHOLDER'S EQUITY		
SHARE CAPITAL (Note 6)	**2,531,756**	1,265,878
DEFICIT (Note 3)	**(348,520)**	(358,004)
	2,183,236	907,874
	$ 3,079,077	$ 3,128,340

APPROVED BY THE BOARD

..... Director

..... Director

SCUGOG HYDRO ENERGY CORPORATION
Statement of Earnings and Deficit
Six month period ended June 30, 2005

	June 30, 2005 (6 months)	December 31, 2004 (12 months)
REVENUE (Note 9)	**$ 2,276,862**	$ 4,070,097
ENERGY COST	**1,924,931**	3,497,682
GROSS MARGIN	**351,931**	572,415
OTHER INCOME		
Regulatory asset recoveries (Note 3)	**26,251**	371,177
Interest	**5,884**	13,374
Late payment penalties	**5,783**	11,542
Miscellaneous	**14,703**	29,020
	52,621	425,113
	404,552	997,528
EXPENDITURE (Note 7)		
Operation maintenance	**73,186**	143,441
Administration	**227,718**	322,852
Financial expense	**37,419**	74,851
Amortization of capital assets and capital contributions	**56,745**	112,500
	395,068	653,644
NET INCOME	**9,484**	343,884
DEFICIT, BEGINNING OF YEAR		
As previously reported	**(316,306)**	(701,888)
Correction of carrying charges (Note 3)	**(41,698)**	-
As restated	**(358,004)**	(701,888)
DEFICIT, END OF YEAR	**$ (348,520)**	$ (358,004)

SCUGOG HYDRO ENERGY CORPORATION
Statement of Cash Flows
Six month period ended June 30, 2005

	June 30, 2005 (6 months)	December 31, 2004 (12 months) (Note 3)
NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net income	$ **9,484**	$ 343,884
Items not affecting cash		
Amortization of regulatory assets	**-**	704
Amortization of capital contributions	**(7,573)**	(14,730)
Amortization of capital assets	**64,318**	127,230
	66,229	457,088
Changes in non-cash working capital components		
Accounts receivable	**17,710**	(56,379)
Unbilled revenue	**(9,484)**	(69,201)
Inventory	**1,249**	(5,988)
Due from Township of Scugog	**4,531**	(4,586)
Prepaid expenses and other assets	**20**	(114)
Accounts payable and accrued charges, and customer credit balances	**(51,888)**	(32,851)
	28,367	287,969
INVESTING		
Regulatory assets	**(6,296)**	(371,177)
Additions to capital assets	**(54,346)**	(67,260)
	(60,642)	(438,437)
FINANCING		
Capital contributions	**10,311**	11,407
Decrease in consumer and other deposits	**(6,859)**	(53,422)
	3,452	(42,015)
NET CASH OUTFLOW	**(28,823)**	(192,483)
CASH POSITION, BEGINNING OF YEAR	**516,751**	709,234
CASH POSITION, END OF YEAR	$ **487,928**	$ 516,751
SUPPLEMENTARY INFORMATION		
Interest paid	$ **37,419**	$ 74,851
Non-cash transactions		
Common shares issued for non-cash consideration (Note 6)	$ **1,265,878**	$ -
Promissory note repaid	$ **(1,265,878)**	$ -

1. NATURE OF OPERATION

Scugog Hydro Energy Corporation "the Corporation" was incorporated November 1, 1999 under the laws of the Province of Ontario.

The Corporation is wholly-owned by the Township of Scugog.

The principal activity of the corporation is to distribute electricity to the Township of Scugog, under the license issued by the Ontario Energy Board ("OEB").

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and reflect the following policies as set forth in the Accounting Procedures Manual issued by the Ontario Energy Board under the authority of the Ontario Energy Board Act, 1998.

Inventory

Meters are valued at cost on a specific-item basis.

Regulation

The Scugog Hydro Energy Corporation is regulated by the Ontario Energy Board "OEB" and any power rate adjustments require OEB approval.

Capital assets

Capital assets purchased or constructed by the Corporation are recorded as an asset at cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets.

The estimated service lives of the various assets used in calculating amortization are as follows:

Building	50-60 years
Plant and equipment	3-10 years
Transmission and distribution system	15-35 years
Office equipment	5-10 years

Regulatory assets

Regulatory assets primarily represent costs that have been deferred because it is probable that they will be recovered through future rates. The Corporation accrues carrying charges on certain regulatory assets as allowed by the OEB. The Minister of Energy issued a letter dated December 19, 2003 (the "Minister's letter") stating an intention to allow electricity distributors to make application to the OEB to recover regulatory assets (based on year-end balances as at December 31, 2003) to be phased in over a three year period effective April 1, 2005.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Energy and distribution revenue is recorded on the basis of regular meter readings plus estimates of customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power consumed.

Impairment of long-lived assets

The Corporation adopted the new Canadian accounting standard for impairment of long-lived assets, which requires that an impairment loss be recognized when events or circumstances indicate that the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. Any resulting impairment loss is recorded in the period in which the impairment occurs.

The Corporation has determined that there was no impairment of long-lived assets as at June 30, 2005.

Contributions in aid of construction

Contributions in aid of construction consist of third party contributions toward the cost of constructing distribution assets and may be refunded by the Corporation based on future economic evaluations, in accordance with the OEB Distribution System Code. They are accounted for as reductions to the cost of related capital assets and are amortized at rates corresponding to the useful lives of the related capital assets.

Payment in lieu of income taxes

Under the Electricity Act, 1998, the Corporation is required to make payments-in-lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC), commencing October 1, 2001. These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes.

The Corporation, regulated by the Ontario Energy Board, provides for payments-in-lieu of corporate income taxes using the taxes payable method. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Rate-regulated enterprises need not recognize future income taxes to the extent that future income taxes are expected to be included in the rates charged to and recovered from future customers.

Payments-in-lieu of income taxes are henceforth referred to as income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

3. CORRECTION OF PRIOR YEAR CARRYING CHARGES

Carrying charges as previously recorded have been adjusted to reflect the correct method of calculation under the related legislation. As a result, regulatory asset recoveries income for the year ended December 31, 2004, net income for the year ended December 31, 2004, and regulatory assets as at December 31, 2004 have each been reduced by $41,698 and deficit as at December 31, 2004 has been increased by $41,698.

4. CAPITAL ASSETS

	2005			2004
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 69,469	$ -	$ 69,469	$ 69,469
Building, plant and equipment	501,048	317,866	183,182	190,064
Transmission and distribution system	3,538,915	2,004,728	1,534,187	1,536,372
Other equipment	17,211	5,979	11,232	12,137
	4,126,643	2,328,573	1,798,070	1,808,042
Contributions in aid of construction	(378,568)	(53,423)	(325,145)	(322,407)
	$ 3,748,075	$ 2,275,150	$ 1,472,925	$ 1,485,635

Amortization provided for the current six-month period totalled $56,745 (2004, twelve months - $112,500).

5. PROMISSORY NOTE

	2005	2004
5.69% promissory note issued to the Township of Scugog. The Township has the option of calling the principal amount in whole or in part with notice of twelve months. Pursuant to the share purchase agreement (Note 15) this promissory note was converted to equity on June 30, 2005	$ -	$ 1,265,878

Interest on the promissory note for the current six-month period was $36,000 (2004, twelve months - $72,000).

6. SHARE CAPITAL

Authorized
Unlimited number of common shares

	2005	2004
Issued		
200 common shares (2004 - 100 common shares)	$ 2,531,756	$ 1,265,878

During the current fiscal period, the Company issued 100 common shares in settlement of the $1,265,878 promissory note (Note 5) issued to the Township of Scugog, pursuant to the Share Purchase Agreement dated March 24, 2005 (Note 15).

7. SERVICE AGREEMENT BETWEEN WHITBY HYDRO ENERGY SERVICES CORPORATION AND SCUGOG HYDRO ENERGY CORPORATION

Effective July 1, 2000 a master service agreement was made between Whitby Hydro Energy Services Corporation ("Whitby Hydro") and Scugog Hydro Energy Corporation ("Scugog Hydro") whereby Whitby Hydro had agreed to provide day-to-day operation, maintenance and repair of Scugog Hydro's electrical distribution system and to provide all related customer services. In addition, certain employees of Scugog Hydro were transferred to and became employees of Whitby Hydro. As well, Whitby Hydro acquired certain equipment and inventory from Scugog Hydro in connection with this master service agreement. This agreement was terminated effective June 30, 2005 in accordance with the share purchase agreement made between Veridian Connections Inc., Veridian Corporation, Scugog Hydro Energy Corporation and the Corporation of the Township of Scugog, dated March 24, 2005.

8. INCOME TAXES

The Corporation became obligated to make payments-in-lieu of taxes on October 1, 2001. There were no income or capital taxes in the periods prior to October 1, 2001.

The provision for income taxes under the taxes payable method for the period is $Nil (2004 - $Nil).

Future income taxes have not been recorded in the accounts as they are expected to be reflected through future distribution revenues. As at June 30, 2005, net future income tax assets of $124,995 (December 31, 2004 - $142,564) have not been recorded. Consequently, the change in future income tax assets of $17,569 has not been reflected in the income tax provision for the period ended June 30, 2005.

Significant components of the Corporation's future taxes as at June 30 are as follows:

	2005	2004
Tax benefit of loss carry forwards	**$ 45,568**	$ 69,639
Plant and equipment	**79,427**	75,887
Regulatory assets	**-**	(2,962)
Net future income tax asset	**$ 124,995**	$ 142,564

The Corporation has income tax losses carried forward of $173.515 (2004 - $192,799) which begin to expire in 2009.

The 2004 comparative numbers reflect an updated future tax position of Scugog Hydro from that prevailing at the time of issuance of the 2004 audited financial statements, based on an amendment to their 2004 tax return, made subsequent to the issuance of the 2004 audited financial statements.

9. RELATED PARTY TRANSACTIONS

The following summarizes the Corporation's related party transactions with the Township of Scugog for the six month period ended June 30, 2005.

	2005	2004
	(6 months)	(12 months)
Revenue		
Energy	**$ 11,666**	$ 13,118
Street lighting	**25,320**	45,396
Expenditures		
Wages and benefits	**$ 7,708**	$ 16,026
Other	**1,172**	2,288
Interest on long-term debt	**36,000**	72,000

10. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The fair value of financial instruments that are included in the financial statements approximate the carrying amount due to the short-term maturity of those instruments.

Credit risk

Credit risk results from the potential that a counter party will fail to perform its obligations. Accounts receivable are widely dispersed among numerous customers and hence the risk of significant credit loss is remote.

11. INTEREST IN LIMITED PARTNERSHIP

The Corporation is a limited partner of EnerConnect, a power procurement partnership. Scugog Hydro Energy Corporation has a .4% interest in this partnership. The investment of $12,000 was expensed in the years in which it was made.

12. CLASS ACTION OF LATE PAYMENT CHARGES

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

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

The Municipal Electric Association is undertaking the defense of the class action. At this time it is not possible to quantify the effect, if any, on the financial statements of Scugog Hydro Energy Corporation.

13. REGULATORY ASSETS

Regulatory assets arise as a result of the rate-making process and consist of the following:

	2005	2004
Deferred qualifying transitional costs	$ 8,201	$ 8,201
Pre-market opening cost of power variances	85,993	84,311
	94,194	92,512
Retail cost variance account	15,363	13,759
Conservation and demand management	(19,953)	-
Other regulatory assets	8,635	8,131
Retail settlement variance account	399,536	342,798
Global adjustment	(7,060)	-
Payment in lieu of taxes	16,483	8,905
Amounts recovered through billings	(94,476)	(51,404)
Net regulatory assets	412,722	414,701
Provision for above regulatory assets	(27,048)	(35,323)
	385,674	379,378
Less current portion	91,384	84,485
	$ 294,290	$ 294,893

14. GUARANTEES

In the normal course of business, the Company enters into agreements that meet the definition of a guarantee. The Company's primary guarantees subject to the disclosure requirements are as follows:

(a) Indemnity has been provided to all directors and or officers of the Company for various items including, but not limited to, all costs to settle suits or actions due to association with the Company, subject to certain restrictions. The Company has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the Company. The maximum amount of any potential future payment cannot be reasonably estimated.

14. GUARANTEES (continued)

(b) In the normal course of business, the Company has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Company to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Company has not made any significant payments under such or similar indemnification agreements and therefore no amount bas been accrued in the balance sheet with respect to these agreements.

15. SUBSEQUENT EVENT - SALE OF SHARES OF THE CORPORATION

Effective June 30, 2005, 100% of Scugog Hydro Energy Corporation's shares were sold by the Corporation of the Township of Scugog to Veridian Connections Inc. for consideration of $3,450,000, (subject to a price adjustment clause) pursuant to a share purchase agreement dated March 24, 2005 made between Veridian Connections Inc., Veridian Corporation, Scugog Hydro Energy Corporation, and the Corporation of the Township of Scugog.

Scugog Hydro Energy Corporation
Statement of Operations
Actual to August 8, 2005

	2005 Actual Aug 8, 2005 $
Standard Supply Service	
Revenues	
Revenue- Cost of Power	$341,454
Expenses	
Expenses- Cost of Power	341,454
Income(Loss)Standard Supply Service	-
Local Distribution Operations	
Revenues	
Other Revenue	
Distribution Revenues	75,019
Total Revenue	**75,019**
EXPENSES	
Metering Services Expense	
Energy Services Expense	
Operations & Maintenance	54,147
Administration, Building, IT & Finance	
Total Expenses	**54,147**
Depreciation	12,227
Financial Expense	
Interest on Promissory Note	
Allowance for funds used during construction	
Extraordinary Item	
Income (Loss) Distribution Operations	**8,645**
Net Income (Loss) Before Taxes	**8,645**
Payments in Lieu of Taxes	
Net Income (Loss) After Taxes	**8,645**
	0.0%

Scugog Hydro Energy Corporation

Balance Sheet

As at August 08, 2005

	2005 Aug 8, 2005
Assets	
Current Assets	
Cash & Bank	508,800
Inter-Company Accounts	
Customer Accounts Receivable	170,440
Unbilled Accounts Receivable	529,939
Other Current Assets	
Inventory	13,419
Curr Portion of Regulatory Assets	91,384
	1,313,982
Future Income Tax	
Non-Current Assets	
Due From Township of Scugog	140
Goodwill & Intangible Assets	
Other Assets	18,612
Long Term Receivable	
Regulatory Assets	294,290
Fixed Plant	3,748,075
-Accumulated Depreciation	(2,287,377)
Total Assets	**3,087,722**
Liabilities & Equity	
Current Liabilities	
Market Settlement	338,772
Note Payable to Veridian Corporate	
Note Payable to Veridian Energy	
Intercompany Payable	
Current Portion of Customer Deposits	56,447
Other Payables	449,233
	844,452
Long Term Liabilities	
Promissory Notes	
Long Term Debt	
Future Income Taxes	
Regulatory Liabilities	
Employee Future Benefits	
Customer Deposits - Capital Projects	
Customer Deposits - Electricity Purchases	51,389
	51,389
Total Liabilities	895,841
Share Capital	2,183,236
Net Income(Loss) Current Year	8,645
TOTAL LIABILITIES AND EQUITY	**3,087,722**