File Number:EB-2012-0061

Date Filed:May 01, 2012

# Exhibit 3

# GRAVENHURST PILS

File Number:EB-2012-0061

Date Filed:May 01, 2012

# Exhibit 3

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# Tab 1 of 2

# 1562 Deferred PILs

# 1562 Deferred PILs

File Number:EB-2012-0061

Exhibit: 3
Tab: 1
Schedule: 1

Date Filed: May 01, 2012

# Attachment 1 of 2

# PILS 1562 Continuity Schedule

Name of LDC: Veridian Connections Inc. - Gravenhurst
OEB Licence Number: ED-2002-0504

# Distributor Information

| | |
|---|---|
| **Applicant Name** | **Veridian Connections Inc. - Gravenhurst** |
| **OEB Licence Number** | **ED-2002-0504** |
| **OEB File Number** | **EB-2012-0061** |

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

**OEB Licence Number: ED-2002-0504**

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

**OEB Licence Number: ED-2002-0504**

## 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. - Gravenhurst**

**OEB Licence Number: ED-2002-0504**

## 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 | 1.47 | 0.12% | 0.61% |
| Saturday, June 30, 2012 | 1.47 | 0.12% | 0.73% |
| Tuesday, July 31, 2012 | 1.47 | 0.12% | 0.86% |
| Friday, August 31, 2012 | 1.47 | 0.12% | 0.98% |
| Sunday, September 30, 2012 | 0.00 | 0.00% | 0.98% |
| Wednesday, October 31, 2012 | 0.00 | 0.00% | 0.98% |
| Friday, November 30, 2012 | 0.00 | 0.00% | 0.98% |
| Monday, December 31, 2012 | 0.00 | 0.00% | 0.98% |
| **Effective Annual Interest** | | **0.98%** | |

**Name of LDC: Veridian Connections Inc. - Gravenhurst**
**OEB Licence Number: ED-2002-0504**

## PILs Tax Proxy

| | Year | Amount |
|---|---|---|
| Board-approved PILs tax proxy from Decisions | 2001 | 63,992 |
| Board-approved PILs tax proxy from Decisions | 2002 | 328,177 |
| Board-approved PILs tax proxy from Decisions | 2005 | 221,910 |

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

**OEB Licence Number: ED-2002-0504**

# Rate Class Selection

| Rate Group | Rate Class | Fixed Metric | Vol Metric |
|---|---|---|---|
| RES | Residential Urban | Customer | kWh |
| RES | Residential Suburban Year Round | Customer | kWh |
| RES | Residential Suburban Seasonal | Customer | kWh |
| GSLT50 | General Service Less Than 50 kW | Customer | kWh |
| GSGT50 | General Service 50 to 4,999 kW | Customer | kW |
| Sen | Sentinel Lighting | Connection | kW |
| SL | Street Lighting | Connection | kW |
| GSLT50 | General Service Less Than 50 kW – Single Phase energy-billed [G | Customer | kWh |
| GSGT50 | General Service 50 to 4,999 kW *(formerly Time of Use)* | Customer | kW |
| 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 |

B1.1 Rate Classes

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

**OEB Licence Number: ED-2002-0504**

## 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 Urban | Customer | 0.278318 | 1.427330 | 1.705648 | 12.1700 | 2,834 | 48,338 |
| Residential Suburban Year Round | Customer | 0.394628 | 2.023810 | 2.418438 | 17.36 | 655 | 15,841 |
| Residential Suburban Seasonal | Customer | 0.713700 | 3.660150 | 4.373850 | 31.94 | 1,608 | 70,332 |
| General Service Less Than 50 kW | Customer | 0.339314 | 1.740140 | 2.079454 | 13.72 | 374 | 7,777 |
| General Service 50 to 4,999 kW | Customer | 0.710926 | 3.645920 | 4.356846 | 13.69 | 29 | 1,263 |
| Sentinel Lighting | Connection | 0.022425 | 0.115000 | 0.137425 | 0.90 | 85 | 117 |
| Street Lighting | Connection | 0.011607 | 0.059520 | 0.071127 | 0.54 | 911 | 648 |
| General Service Less Than 50 kW – Single Phase energy | Customer | 0.231907 | 1.189310 | 1.421217 | 13.69 | 260 | 3,695 |
| General Service 50 to 4,999 kW (formerly Time of Use) | Customer | 0.535883 | 2.748230 | 3.284113 | 30.94 | 27 | 887 |
| | | | | | | 6,783 | 148,898 |

| 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 Urban | kWh | 0.000465 | 0.002380 | 0.002845 | 0.0203 | 4,623,047 | 13,153 |
| Residential Suburban Year Round | kWh | 0.000477 | 0.002440 | 0.002917 | 0.0209 | 1,493,457 | 4,356 |
| Residential Suburban Seasonal | kWh | 0.000722 | 0.003700 | 0.004422 | 0.0320 | 1,742,878 | 7,707 |
| General Service Less Than 50 kW | kWh | 0.000501 | 0.002570 | 0.003071 | 0.0207 | 1,926,154 | 5,915 |
| General Service 50 to 4,999 kW | kW | 0.111310 | 0.570840 | 0.682150 | 5.5109 | 7,325 | 4,997 |
| Sentinel Lighting | kW | 0.014764 | 0.075720 | 0.090484 | 0.5580 | 9,743 | 882 |
| Street Lighting | kW | 0.002314 | 0.011870 | 0.014184 | 0.0990 | 92,428 | 1,311 |
| General Service Less Than 50 kW – Single Phase energy | kWh | 0.000466 | 0.002390 | 0.002856 | 0.0219 | 589,796 | 1,684 |
| General Service 50 to 4,999 kW (formerly Time of Use) | kW | 0.095270 | 0.488580 | 0.583850 | 5.3451 | 7,848 | 4,582 |
| | | | | | | 10,492,676 | 44,587 |
| | | | | | | | 193,485 |

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

**OEB Licence Number: ED-2002-0504**

## 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 2003 **D** | PILs Recovered **E = C * D * 12** |
|---|---|---|---|---|---|---|---|
| Residential Urban | Customer | 0.278318 | 1.427330 | 1.705648 | 12.1700 | 2,868 | 58,702 |
| Residential Suburban Year Round | Customer | 0.394628 | 2.023810 | 2.418438 | 17.3600 | 664 | 19,270 |
| Residential Suburban Seasonal | Customer | 0.713700 | 3.660150 | 4.373850 | 31.9400 | 1,607 | 84,345 |
| General Service Less Than 50 kW | Customer | 0.339314 | 1.740140 | 2.079454 | 13.7200 | 375 | 9,358 |
| General Service 50 to 4,999 kW | Customer | 0.710926 | 3.645920 | 4.356846 | 13.6900 | 29 | 1,516 |
| Sentinel Lighting | Connection | 0.022425 | 0.115000 | 0.137425 | 0.9000 | 78 | 129 |
| Street Lighting | Connection | 0.011607 | 0.059520 | 0.071127 | 0.5400 | 911 | 778 |
| General Service Less Than 50 kW – Single Phase energy | Customer | 0.231907 | 1.189310 | 1.421217 | 13.6900 | 266 | 4,537 |
| General Service 50 to 4,999 kW (formerly Time of Use) | Customer | 0.535883 | 2.748230 | 3.284113 | 30.9400 | 28 | 1,103 |
| | | | | | | 6,826 | 179,737 |

| 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 Urban | kWh | 0.000465 | 0.002380 | 0.002845 | 0.0203 | 29,006,946 | 82,525 |
| Residential Suburban Year Round | kWh | 0.000477 | 0.002440 | 0.002917 | 0.0209 | 9,528,861 | 27,796 |
| Residential Suburban Seasonal | kWh | 0.000722 | 0.003700 | 0.004422 | 0.0320 | 10,256,650 | 45,355 |
| General Service Less Than 50 kW | kWh | 0.000501 | 0.002570 | 0.003071 | 0.0207 | 8,116,617 | 24,926 |
| General Service 50 to 4,999 kW | kW | 0.111310 | 0.570840 | 0.682150 | 5.5109 | 40,515 | 27,637 |
| Sentinel Lighting | kW | 0.014764 | 0.075720 | 0.090484 | 0.5580 | 142 | 13 |
| Street Lighting | kW | 0.002314 | 0.011870 | 0.014184 | 0.0990 | 1,716 | 24 |
| General Service Less Than 50 kW – Single Phase energy | kWh | 0.000466 | 0.002390 | 0.002856 | 0.0219 | 6,319,002 | 18,047 |
| General Service 50 to 4,999 kW (formerly Time of Use) | kW | 0.095270 | 0.488580 | 0.583850 | 5.3451 | 42,583 | 24,862 |
| | | | | | | 63,313,032 | 251,185 |

| |
|---|
| 430,922 |

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

**OEB Licence Number: ED-2002-0504**

## 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 Urban | Customer | 0.278318 | 1.427330 | 1.705648 | 12.1700 | 2,896 | 14,819 |
| Residential Suburban Year Round | Customer | 0.394628 | 2.023810 | 2.418438 | 17.3600 | 677 | 4,912 |
| Residential Suburban Seasonal | Customer | 0.713700 | 3.660150 | 4.373850 | 31.9400 | 1,616 | 21,204 |
| General Service Less Than 50 kW | Customer | 0.339314 | 1.740140 | 2.079454 | 13.7200 | 376 | 2,346 |
| General Service 50 to 4,999 kW | Customer | 0.710926 | 3.645920 | 4.356846 | 13.6900 | 31 | 405 |
| Sentinel Lighting | Connection | 0.022425 | 0.115000 | 0.137425 | 0.9000 | 78 | 32 |
| Street Lighting | Connection | 0.011607 | 0.059520 | 0.071127 | 0.5400 | 911 | 194 |
| General Service Less Than 50 kW – Single Phase energ | Customer | 0.231907 | 1.189310 | 1.421217 | 13.6900 | 270 | 1,151 |
| General Service 50 to 4,999 kW (formerly Time of Use) | Customer | 0.535883 | 2.748230 | 3.284113 | 30.9400 | 27 | 266 |
| | | | | | | 6,882 | 45,329 |

| 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 2004 D | PILs Recovered E = C * D |
|---|---|---|---|---|---|---|---|
| Residential Urban | kWh | 0.000465 | 0.002380 | 0.002845 | 0.0203 | 7,174,367 | 20,411 |
| Residential Suburban Year Round | kWh | 0.000477 | 0.002440 | 0.002917 | 0.0209 | 2,351,399 | 6,859 |
| Residential Suburban Seasonal | kWh | 0.000722 | 0.003700 | 0.004422 | 0.0320 | 2,414,999 | 10,679 |
| General Service Less Than 50 kW | kWh | 0.000501 | 0.002570 | 0.003071 | 0.0207 | 1,963,562 | 6,030 |
| General Service 50 to 4,999 kW | kW | 0.111310 | 0.570840 | 0.682150 | 5.5109 | 10,533 | 7,185 |
| Sentinel Lighting | kW | 0.014764 | 0.075720 | 0.090484 | 0.5580 | 35 | 3 |
| Street Lighting | kW | 0.002314 | 0.011870 | 0.014184 | 0.0990 | 393 | 6 |
| General Service Less Than 50 kW – Single Phase energ | kWh | 0.000466 | 0.002390 | 0.002856 | 0.0219 | 1,570,970 | 4,487 |
| General Service 50 to 4,999 kW (formerly Time of Use) | kW | 0.095270 | 0.488580 | 0.583850 | 5.3451 | 10,048 | 5,867 |
| | | | | | | 15,496,306 | 61,526 |

| |
|---|
| 106,856 |

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

**OEB Licence Number: ED-2002-0504**

## 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 Urban | Customer | 0.000000 | 0.0000 | 0 | 0 |
| Residential Suburban Year Round | Customer | 0.000000 | 0.0000 | 0 | 0 |
| Residential Suburban Seasonal | 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 |
| Sentinel Lighting | Connection | 0.000000 | 0.0000 | 0 | 0 |
| Street Lighting | Connection | 0.000000 | 0.0000 | 0 | 0 |
| General Service Less Than 50 kW – Single Phase energ | Customer | 0.000000 | 0.0000 | 0 | 0 |
| General Service 50 to 4,999 kW (formerly Time of Use) | Customer | 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 Urban | kWh | 0.003851 | 0.0183 | 21,523,100 | 82,885 |
| Residential Suburban Year Round | kWh | 0.003510 | 0.0180 | 7,054,197 | 24,760 |
| Residential Suburban Seasonal | kWh | 0.009943 | 0.0298 | 7,244,998 | 72,037 |
| General Service Less Than 50 kW | kWh | 0.002367 | 0.0174 | 5,890,685 | 13,943 |
| General Service 50 to 4,999 kW | kW | 0.457232 | 4.6999 | 31,600 | 14,449 |
| Sentinel Lighting | kW | 0.495454 | 0.0479 | 106 | 53 |
| Street Lighting | kW | 0.301690 | 0.0151 | 1,179 | 356 |
| General Service Less Than 50 kW – Single Phase energ | kWh | 0.004821 | 0.0230 | 4,712,909 | 22,721 |
| General Service 50 to 4,999 kW (formerly Time of Use) | kW | 0.441914 | 4.7078 | 30,144 | 13,321 |
| | | | | 46,488,918 | 244,525 |

| |
|---|
| 244,525 |

**Name of LDC: Veridian Connections Inc. - Gravenhurst**
**OEB Licence Number: ED-2002-0504**

## 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 Urban | Customer | 0.000000 | 0.0000 | 0 | 0 |
| Residential Suburban Year Round | Customer | 0.000000 | 0.0000 | 0 | 0 |
| Residential Suburban Seasonal | 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 |
| Sentinel Lighting | Connection | 0.000000 | 0.0000 | 0 | 0 |
| Street Lighting | Connection | 0.000000 | 0.0000 | 0 | 0 |
| General Service Less Than 50 kW – Single Phase energ | Customer | 0.000000 | 0.0000 | 0 | 0 |
| General Service 50 to 4,999 kW (formerly Time of Use) | Customer | 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 2005 **B** | PILs Recovered **C = A * B** |
|---|---|---|---|---|---|
| Residential Urban | kWh | 0.003851 | 0.0183 | 6,951,882 | 26,772 |
| Residential Suburban Year Round | kWh | 0.003510 | 0.0180 | 2,336,968 | 8,203 |
| Residential Suburban Seasonal | kWh | 0.009943 | 0.0298 | 2,347,195 | 23,338 |
| General Service Less Than 50 kW | kWh | 0.002367 | 0.0174 | 2,546,677 | 6,028 |
| General Service 50 to 4,999 kW | kW | 0.457232 | 4.6999 | 9,846 | 4,502 |
| Sentinel Lighting | kW | 0.495454 | 0.0479 | 33 | 16 |
| Street Lighting | kW | 0.301690 | 0.0151 | 312 | 94 |
| General Service Less Than 50 kW – Single Phase energ | kWh | 0.004821 | 0.0230 | 1,581,738 | 7,626 |
| General Service 50 to 4,999 kW (formerly Time of Use) | kW | 0.441914 | 4.7078 | 9,665 | 4,271 |
| | | | | 15,784,316 | 80,850 |

| |
|---|
| 80,850 |

**Name of LDC: Veridian Connections Inc. - Gravenhurst**
**OEB Licence Number: ED-2002-0504**

## 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 Urban | Customer | 0.000000 | 0.0000 | 0 | 0 |
| Residential Suburban Year Round | Customer | 0.000000 | 0.0000 | 0 | 0 |
| Residential Suburban Seasonal | 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 |
| Sentinel Lighting | Connection | 0.000000 | 0.0000 | 0 | 0 |
| Street Lighting | Connection | 0.000000 | 0.0000 | 0 | 0 |
| General Service Less Than 50 kW – Single Phase energ | Customer | 0.000000 | 0.0000 | 0 | 0 |
| General Service 50 to 4,999 kW (formerly Time of Use) | Customer | 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 Urban | kWh | 0.002475 | 0.0203 | 20,855,647 | 51,618 |
| Residential Suburban Year Round | kWh | 0.002446 | 0.0207 | 7,010,904 | 17,147 |
| Residential Suburban Seasonal | kWh | 0.006365 | 0.0341 | 7,041,584 | 44,817 |
| General Service Less Than 50 kW | kWh | 0.001947 | 0.0198 | 7,640,030 | 14,875 |
| General Service 50 to 4,999 kW | kW | 0.398588 | 5.4204 | 29,539 | 11,774 |
| Sentinel Lighting | kW | 0.440169 | 1.1140 | 98 | 43 |
| Street Lighting | kW | 0.270936 | 0.5792 | 936 | 254 |
| General Service Less Than 50 kW – Single Phase energ | kWh | 0.001989 | 0.0215 | 4,745,215 | 9,438 |
| General Service 50 to 4,999 kW (formerly Time of Use) | kW | 0.387299 | 5.4191 | 28,996 | 11,230 |
| | | | | 47,352,949 | 161,196 |

| |
|---|
| 161,196 |

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

**OEB Licence Number: ED-2002-0504**

## PILs Recovered November 2005 to April 2006

| Rate Class | Fixed Metric | PILs Rate Jan To Apr 2006 **A** | Monthly Service Charge | Cust/Conn Billed Jan To Apr 2006 **B** | PILs Recovered **C = A * B * 4** |
|---|---|---|---|---|---|
| Residential Urban | Customer | 0.000000 | 0.0000 | 0 | 0 |
| Residential Suburban Year Round | Customer | 0.000000 | 0.0000 | 0 | 0 |
| Residential Suburban Seasonal | 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 |
| Sentinel Lighting | Connection | 0.000000 | 0.0000 | 0 | 0 |
| Street Lighting | Connection | 0.000000 | 0.0000 | 0 | 0 |
| General Service Less Than 50 kW – Single Phase energ | Customer | 0.000000 | 0.0000 | 0 | 0 |
| General Service 50 to 4,999 kW (formerly Time of Use) | Customer | 0.000000 | 0.0000 | 0 | 0 |
| | | | | 0 | 0 |

| Rate Class | Vol Metric | PILs Rate Jan To Apr 2006 **A** | Distribution Charge | kWh/kW Billed Nov 2005 To Apr 2006 **B** | PILs Recovered **C = A * B** |
|---|---|---|---|---|---|
| Residential Urban | kWh | 0.002475 | 0.0203 | 13,574,157 | 33,596 |
| Residential Suburban Year Round | kWh | 0.002446 | 0.0207 | 4,662,186 | 11,402 |
| Residential Suburban Seasonal | kWh | 0.006365 | 0.0341 | 4,028,000 | 25,637 |
| General Service Less Than 50 kW | kWh | 0.001947 | 0.0198 | 3,115,722 | 6,066 |
| General Service 50 to 4,999 kW | kW | 0.398588 | 5.4204 | 15,651 | 6,238 |
| Sentinel Lighting | kW | 0.440169 | 1.1140 | 55 | 24 |
| Street Lighting | kW | 0.270936 | 0.5792 | 393 | 106 |
| General Service Less Than 50 kW – Single Phase energ | kWh | 0.001989 | 0.0215 | 2,466,291 | 4,905 |
| General Service 50 to 4,999 kW (formerly Time of Use) | kW | 0.387299 | 5.4191 | 15,256 | 5,909 |
| | | | | 27,877,711 | 93,885 |

93,885

**Name of LDC: Veridian Connections Inc. - Gravenhurst**
**OEB Licence Number: ED-2002-0504**

## 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 Urban | Customer | 48,338 | 58,702 | 14,819 | 0 | 0 | 0 | 0 | 121,858 |
| Residential Suburban Year Round | Customer | 15,841 | 19,270 | 4,912 | 0 | 0 | 0 | 0 | 40,023 |
| Residential Suburban Seasonal | Customer | 70,332 | 84,345 | 21,204 | 0 | 0 | 0 | 0 | 175,881 |
| General Service Less Than 50 kW | Customer | 7,777 | 9,358 | 2,346 | 0 | 0 | 0 | 0 | 19,480 |
| General Service 50 to 4,999 kW | Customer | 1,263 | 1,516 | 405 | 0 | 0 | 0 | 0 | 3,185 |
| Sentinel Lighting | Connection | 117 | 129 | 32 | 0 | 0 | 0 | 0 | 278 |
| Street Lighting | Connection | 648 | 778 | 194 | 0 | 0 | 0 | 0 | 1,620 |
| General Service Less Than 50 kW – Single Phase energy | Customer | 3,695 | 4,537 | 1,151 | 0 | 0 | 0 | 0 | 9,383 |
| General Service 50 to 4,999 kW (formerly Time of Use) | Customer | 887 | 1,103 | 266 | 0 | 0 | 0 | 0 | 2,256 |
| | | 148,898 | 179,737 | 45,329 | 0 | 0 | 0 | 0 | 373,964 |

| 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 Urban | kWh | 13,153 | 82,525 | 20,411 | 82,885 | 26,772 | 51,618 | 33,596 | 310,959 |
| Residential Suburban Year Round | kWh | 4,356 | 27,796 | 6,859 | 24,760 | 8,203 | 17,147 | 11,402 | 100,523 |
| Residential Suburban Seasonal | kWh | 7,707 | 45,355 | 10,679 | 72,037 | 23,338 | 44,817 | 25,637 | 229,570 |
| General Service Less Than 50 kW | kWh | 5,915 | 24,926 | 6,030 | 13,943 | 6,028 | 14,875 | 6,066 | 77,784 |
| General Service 50 to 4,999 kW | kW | 4,997 | 27,637 | 7,185 | 14,449 | 4,502 | 11,774 | 6,238 | 76,782 |
| Sentinel Lighting | kW | 882 | 13 | 3 | 53 | 16 | 43 | 24 | 1,034 |
| Street Lighting | kW | 1,311 | 24 | 6 | 356 | 94 | 254 | 106 | 2,151 |
| General Service Less Than 50 kW – Single Phase energy | kWh | 1,684 | 18,047 | 4,487 | 22,721 | 7,626 | 9,438 | 4,905 | 68,908 |
| General Service 50 to 4,999 kW (formerly Time of Use) | kW | 4,582 | 24,862 | 5,867 | 13,321 | 4,271 | 11,230 | 5,909 | 70,042 |
| | | 44,587 | 251,185 | 61,526 | 244,525 | 80,850 | 161,196 | 93,885 | 937,753 |

| 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 Urban | 61,491 | 141,226 | 35,230 | 82,885 | 26,772 | 51,618 | 33,596 | 432,818 |
| Residential Suburban Year Round | 20,197 | 47,066 | 11,771 | 24,760 | 8,203 | 17,147 | 11,402 | 140,546 |
| Residential Suburban Seasonal | 78,039 | 129,700 | 31,884 | 72,037 | 23,338 | 44,817 | 25,637 | 405,452 |
| General Service Less Than 50 kW | 13,692 | 34,284 | 8,376 | 13,943 | 6,028 | 14,875 | 6,066 | 97,264 |
| General Service 50 to 4,999 kW | 6,260 | 29,153 | 7,590 | 14,449 | 4,502 | 11,774 | 6,238 | 79,967 |
| Sentinel Lighting | 998 | 141 | 35 | 53 | 16 | 43 | 24 | 1,311 |
| Street Lighting | 1,959 | 802 | 200 | 356 | 94 | 254 | 106 | 3,771 |
| General Service Less Than 50 kW – Single Phase energy-billed [G1] | 5,380 | 22,584 | 5,638 | 22,721 | 7,626 | 9,438 | 4,905 | 78,291 |
| General Service 50 to 4,999 kW (formerly Time of Use) | 5,469 | 25,966 | 6,133 | 13,321 | 4,271 | 11,230 | 5,909 | 72,298 |
| | 193,485 | 430,922 | 106,856 | 244,525 | 80,850 | 161,196 | 93,885 | 1,311,717 |

**Name of LDC: Veridian Connections Inc. - Gravenhurst**
**OEB Licence Number: ED-2002-0504**

## 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 Urban | Customer | 48,338 | 58,702 | 14,819 | 0 | 0 | 121,858 |
| Residential Suburban Year Round | Customer | 15,841 | 19,270 | 4,912 | 0 | 0 | 40,023 |
| Residential Suburban Seasonal | Customer | 70,332 | 84,345 | 21,204 | 0 | 0 | 175,881 |
| General Service Less Than 50 kW | Customer | 7,777 | 9,358 | 2,346 | 0 | 0 | 19,480 |
| General Service 50 to 4,999 kW | Customer | 1,263 | 1,516 | 405 | 0 | 0 | 3,185 |
| Sentinel Lighting | Connection | 117 | 129 | 32 | 0 | 0 | 278 |
| Street Lighting | Connection | 648 | 778 | 194 | 0 | 0 | 1,620 |
| General Service Less Than 50 kW – Single Phase energy | Customer | 3,695 | 4,537 | 1,151 | 0 | 0 | 9,383 |
| General Service 50 to 4,999 kW (formerly Time of Use) | Customer | 887 | 1,103 | 266 | 0 | 0 | 2,256 |
| | | 148,898 | 179,737 | 45,329 | 0 | 0 | 373,964 |

| 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 Urban | kWh | 13,153 | 82,525 | 103,297 | 78,389 | 33,596 | 310,959 |
| Residential Suburban Year Round | kWh | 4,356 | 27,796 | 31,619 | 25,349 | 11,402 | 100,523 |
| Residential Suburban Seasonal | kWh | 7,707 | 45,355 | 82,716 | 68,155 | 25,637 | 229,570 |
| General Service Less Than 50 kW | kWh | 5,915 | 24,926 | 19,973 | 20,903 | 6,066 | 77,784 |
| General Service 50 to 4,999 kW | kW | 4,997 | 27,637 | 21,634 | 16,276 | 6,238 | 76,782 |
| Sentinel Lighting | kW | 882 | 13 | 56 | 59 | 24 | 1,034 |
| Street Lighting | kW | 1,311 | 24 | 361 | 348 | 106 | 2,151 |
| General Service Less Than 50 kW – Single Phase energy | kWh | 1,684 | 18,047 | 27,208 | 17,064 | 4,905 | 68,908 |
| General Service 50 to 4,999 kW (formerly Time of Use) | kW | 4,582 | 24,862 | 19,188 | 15,501 | 5,909 | 70,042 |
| | | 44,587 | 251,185 | 306,051 | 242,045 | 93,885 | 937,753 |

| Rate Class | | 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 Urban | | 61,491 | 141,226 | 118,115 | 78,389 | 33,596 | 432,818 |
| Residential Suburban Year Round | | 20,197 | 47,066 | 36,531 | 25,349 | 11,402 | 140,546 |
| Residential Suburban Seasonal | | 78,039 | 129,700 | 103,921 | 68,155 | 25,637 | 405,452 |
| General Service Less Than 50 kW | | 13,692 | 34,284 | 22,319 | 20,903 | 6,066 | 97,264 |
| General Service 50 to 4,999 kW | | 6,260 | 29,153 | 22,039 | 16,276 | 6,238 | 79,967 |
| Sentinel Lighting | | 998 | 141 | 88 | 59 | 24 | 1,311 |
| Street Lighting | | 1,959 | 802 | 556 | 348 | 106 | 3,771 |
| General Service Less Than 50 kW – Single Phase energy-billed [G1] | | 5,380 | 22,584 | 28,359 | 17,064 | 4,905 | 78,291 |
| General Service 50 to 4,999 kW (formerly Time of Use) | | 5,469 | 25,966 | 19,454 | 15,501 | 5,909 | 72,298 |
| | | 193,485 | 430,922 | 351,381 | 242,045 | 93,885 | 1,311,717 |

**Name of LDC: Veridian Connections Inc. - Gravenhurst**
**OEB Licence Number: ED-2002-0504**

## 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 | 8/31/2012 |
| **Principal Opening balance: # 1562** | = | | 63,934 | 198,627 | 136,241 | 101,018 | 107,449 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| **Board-approved PILs tax proxy from** | +/- | 63,992 | 328,177 | 392,169 | 344,175 | 248,477 | 73,970 | | | | | | | |
| **True-up Variance Adjustment Q4, 2001[2]** | +/- | -80 | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **True-up Variance Adjustment[3]** | +/- | | 0 | -2,580 | -8,130 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Deferral Account Variance Adjustment Q4, 2001[4]** | +/- | 23 | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Deferral Account Variance Adjustment[5]** | +/- | | 0 | -21,052 | -19,888 | 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 | -193,485 | -430,922 | -351,381 | -242,045 | -93,885 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Principal Ending balance: # 1562** | | 63,934 | 198,627 | 136,241 | 101,018 | 107,449 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| **Principal Opening balance: # 1562** | | 0 | 376 | 10,321 | 22,214 | 29,974 | 36,540 | 38,624 | 41,255 | 45,394 | 48,884 | 49,874 | 50,574 | 51,861 |
| **Carrying charges[7]** | +/- | 376 | 9,945 | 11,893 | 7,760 | 6,566 | 2,083 | 2,631 | 4,139 | 3,490 | 990 | 700 | 1,287 | 860 |
| **Principal Ending balance: # 1562** | | 376 | 10,321 | 22,214 | 29,974 | 36,540 | 38,624 | 41,255 | 45,394 | 48,884 | 49,874 | 50,574 | 51,861 | 52,721 |

**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. - Gravenhurst**

**OEB Licence Number: ED-2002-0504**

## 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 | 21,311 | 42,623 | 0 |
| Board-approved PILs tax proxy from Decisions(1) | +/- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,331 | 21,331 | 21,331 | 63,992 |
| True-up Variance Adjustment Q4, 2001(2) | +/- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (27) | (27) | (27) | (80) |
| 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 | 8 | 8 | 8 | 23 |
| 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 | 21,311 | 42,623 | 63,934 | 63,934 |
| Interest on Opening Balance | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 123 | 253 | 376 |
| Cummulative Interest This Year | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 123 | 376 | |
| Cummulative Interest Life to Date | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 123 | 376 | |

**Name of LDC: Veridian Connections Inc. - Gravenhurst**
**OEB Licence Number: ED-2002-0504**

## 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 | = | 63,934 | 91,283 | 118,631 | 126,630 | 134,630 | 142,629 | 150,629 | 158,629 | 166,628 | 174,628 | 182,628 | 190,627 | 63,934 |
| Board-approved PILs tax proxy from Decisions(1) | +/- | 27,348 | 27,348 | 27,348 | 27,348 | 27,348 | 27,348 | 27,348 | 27,348 | 27,348 | 27,348 | 27,348 | 27,348 | 328,177 |
| 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 | (19,348) | (19,348) | (19,348) | (19,348) | (19,348) | (19,348) | (19,348) | (19,348) | (19,348) | (19,348) | (193,485) |
| Principal Ending balance: # 1562 | | 91,283 | 118,631 | 126,630 | 134,630 | 142,629 | 150,629 | 158,629 | 166,628 | 174,628 | 182,628 | 190,627 | 198,627 | 198,627 |
| Interest on Opening Balance | | 380 | 490 | 705 | 729 | 800 | 821 | 896 | 943 | 959 | 1,038 | 1,051 | 1,133 | 9,945 |
| Cummulative Interest This Year | | 380 | 870 | 1,576 | 2,304 | 3,105 | 3,925 | 4,821 | 5,764 | 6,722 | 7,761 | 8,811 | 9,945 | |
| Cummulative Interest Life to Date | | 756 | 1,246 | 1,952 | 2,680 | 3,481 | 4,301 | 5,197 | 6,140 | 7,098 | 8,137 | 9,187 | 10,321 | |

**Name of LDC: Veridian Connections Inc. - Gravenhurst**
**OEB Licence Number: ED-2002-0504**

## 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 | = | 198,627 | 193,428 | 188,229 | 183,030 | 177,832 | 172,633 | 167,434 | 162,235 | 157,036 | 151,838 | 146,639 | 141,440 | 198,627 |
| Board-approved PILs tax proxy from Decisions(1) | +/- | 32,681 | 32,681 | 32,681 | 32,681 | 32,681 | 32,681 | 32,681 | 32,681 | 32,681 | 32,681 | 32,681 | 32,681 | 392,169 |
| 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) | +/- | (215) | (215) | (215) | (215) | (215) | (215) | (215) | (215) | (215) | (215) | (215) | (215) | (2,580) |
| 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) | +/- | (1,754) | (1,754) | (1,754) | (1,754) | (1,754) | (1,754) | (1,754) | (1,754) | (1,754) | (1,754) | (1,754) | (1,754) | (21,052) |
| 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) | - | (35,910) | (35,910) | (35,910) | (35,910) | (35,910) | (35,910) | (35,910) | (35,910) | (35,910) | (35,910) | (35,910) | (35,910) | (430,922) |
| Principal Ending balance: # 1562 | | 193,428 | 188,229 | 183,030 | 177,832 | 172,633 | 167,434 | 162,235 | 157,036 | 151,838 | 146,639 | 141,440 | 136,241 | 136,241 |
| Interest on Opening Balance | | 1,181 | 1,039 | 1,119 | 1,053 | 1,057 | 993 | 995 | 965 | 903 | 903 | 844 | 841 | 11,893 |
| Cummulative Interest This Year | | 1,181 | 2,220 | 3,339 | 4,392 | 5,449 | 6,442 | 7,438 | 8,402 | 9,306 | 10,208 | 11,052 | 11,893 | |
| Cummulative Interest Life to Date | | 11,502 | 12,540 | 13,659 | 14,712 | 15,770 | 16,763 | 17,758 | 18,723 | 19,626 | 20,529 | 21,373 | 22,214 | |

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

**OEB Licence Number: ED-2002-0504**

## 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 | = | 136,241 | 126,969 | 117,697 | 108,425 | 107,602 | 106,779 | 105,956 | 105,133 | 104,310 | 103,487 | 102,664 | 101,841 | 136,241 |
| Board-approved PILs tax proxy from Decisions(1) | +/- | 28,681 | 28,681 | 28,681 | 28,681 | 28,681 | 28,681 | 28,681 | 28,681 | 28,681 | 28,681 | 28,681 | 28,681 | 344,175 |
| 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) | +/- | (677) | (677) | (677) | (677) | (677) | (677) | (677) | (677) | (677) | (677) | (677) | (677) | (8,130) |
| 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) | +/- | (1,657) | (1,657) | (1,657) | (1,657) | (1,657) | (1,657) | (1,657) | (1,657) | (1,657) | (1,657) | (1,657) | (1,657) | (19,888) |
| 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) | - | (35,619) | (35,619) | (35,619) | (27,169) | (27,169) | (27,169) | (27,169) | (27,169) | (27,169) | (27,169) | (27,169) | (27,169) | (351,381) |
| Principal Ending balance: # 1562 | | 126,969 | 117,697 | 108,425 | 107,602 | 106,779 | 105,956 | 105,133 | 104,310 | 103,487 | 102,664 | 101,841 | 101,018 | 101,018 |
| Interest on Opening Balance | | 810 | 706 | 700 | 624 | 640 | 614 | 630 | 625 | 600 | 615 | 591 | 605 | 7,760 |
| Cummulative Interest This Year | | 810 | 1,516 | 2,216 | 2,840 | 3,479 | 4,094 | 4,724 | 5,349 | 5,949 | 6,564 | 7,155 | 7,760 | |
| Cummulative Interest Life to Date | | 23,024 | 23,730 | 24,429 | 25,053 | 25,693 | 26,307 | 26,937 | 27,562 | 28,162 | 28,778 | 29,368 | 29,974 | |

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

**OEB Licence Number: ED-2002-0504**

## 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 | = | ###### | 94,774 | 88,531 | 82,287 | 85,083 | 87,879 | 90,674 | 93,470 | 96,266 | 99,062 | ###### | ###### | 101,018 |
| Board-approved PILs tax proxy from Decisions(1) | +/- | 20,706 | 20,706 | 20,706 | 20,706 | 20,706 | 20,706 | 20,706 | 20,706 | 20,706 | 20,706 | 20,706 | 20,706 | 248,477 |
| 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) | - | (26,950) | (26,950) | (26,950) | (17,911) | (17,911) | (17,911) | (17,911) | (17,911) | (17,911) | (17,911) | (17,911) | (17,911) | (242,045) |
| Principal Ending balance: # 1562 | | 94,774 | 88,531 | 82,287 | 85,083 | 87,879 | 90,674 | 93,470 | 96,266 | 99,062 | ###### | ###### | ###### | 107,449 |
| Interest on Opening Balance | | 601 | 509 | 526 | 473 | 506 | 506 | 539 | 556 | 554 | 589 | 586 | 622 | 6,566 |
| Cummulative Interest This Year | | 601 | 1,109 | 1,636 | 2,109 | 2,615 | 3,121 | 3,660 | 4,215 | 4,769 | 5,358 | 5,944 | 6,566 | |
| Cummulative Interest Life to Date | | 30,574 | 31,083 | 31,610 | 32,083 | 32,589 | 33,094 | 33,634 | 34,189 | 34,743 | 35,332 | 35,918 | 36,540 | |

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

**OEB Licence Number: ED-2002-0504**

## 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 | = | ###### | ###### | 97,492 | 92,513 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | ###### |
| Board-approved PILs tax proxy from Decisions(1) | +/- | 18,493 | 18,493 | 18,493 | 18,493 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 73,970 |
| 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) | - | (23,471) | (23,471) | (23,471) | (23,471) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (93,885) |
| Principal Ending balance: # 1562 | | ###### | 97,492 | 92,513 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| Interest on Opening Balance | | 639 | 550 | 580 | 315 | 308 | 298 | 341 | 341 | 330 | 341 | 330 | 341 | 4,715 |
| Cummulative Interest This Year | | 639 | 1,189 | 1,769 | 2,083 | 2,391 | 2,689 | 3,030 | 3,372 | 3,702 | 4,043 | 4,373 | 4,715 | |
| Cummulative Interest Life to Date | | 37,179 | 37,729 | 38,309 | 38,624 | 38,932 | 39,229 | 39,571 | 39,912 | 40,242 | 40,583 | 40,914 | 41,255 | |

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

**OEB Licence Number: ED-2002-0504**

## 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 | = | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| 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 | | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| Interest on Opening Balance | | 341 | 308 | 341 | 330 | 341 | 330 | 341 | 341 | 330 | 382 | 370 | 382 | 4,139 |
| Cummulative Interest This Year | | 341 | 649 | 991 | 1,321 | 1,662 | 1,992 | 2,334 | 2,675 | 3,005 | 3,387 | 3,757 | 4,139 | |
| Cummulative Interest Life to Date | | 41,596 | 41,904 | 42,245 | 42,576 | 42,917 | 43,247 | 43,588 | 43,930 | 44,260 | 44,642 | 45,012 | 45,394 | |

**Name of LDC: Veridian Connections Inc. - Gravenhurst**
**OEB Licence Number: ED-2002-0504**

## 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 | = | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| 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 | | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| Interest on Opening Balance | | 382 | 357 | 382 | 294 | 303 | 294 | 249 | 249 | 241 | 249 | 241 | 249 | 3,490 |
| Cummulative Interest This Year | | 382 | 740 | 1,122 | 1,415 | 1,719 | 2,012 | 2,261 | 2,510 | 2,751 | 3,000 | 3,241 | 3,490 | |
| Cummulative Interest Life to Date | | 45,776 | 46,134 | 46,516 | 46,809 | 47,113 | 47,406 | 47,655 | 47,904 | 48,145 | 48,394 | 48,635 | 48,884 | |

**Name of LDC: Veridian Connections Inc. - Gravenhurst**
**OEB Licence Number: ED-2002-0504**

## 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 | = | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| 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 | | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| Interest on Opening Balance | | 182 | 165 | 182 | 72 | 74 | 72 | 41 | 41 | 40 | 41 | 40 | 41 | 990 |
| Cummulative Interest This Year | | 182 | 347 | 529 | 601 | 675 | 747 | 788 | 829 | 868 | 909 | 949 | 990 | |
| Cummulative Interest Life to Date | | 49,067 | 49,231 | 49,413 | 49,485 | 49,559 | 49,631 | 49,672 | 49,713 | 49,753 | 49,794 | 49,833 | 49,874 | |

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

**OEB Licence Number: ED-2002-0504**

## 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 | = | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| 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 | | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| Interest on Opening Balance | | 41 | 37 | 41 | 40 | 41 | 40 | 66 | 66 | 64 | 89 | 86 | 89 | 700 |
| Cummulative Interest This Year | | 41 | 78 | 119 | 158 | 199 | 239 | 305 | 371 | 435 | 524 | 611 | 700 | |
| Cummulative Interest Life to Date | | 49,915 | 49,952 | 49,993 | 50,032 | 50,073 | 50,113 | 50,179 | 50,245 | 50,309 | 50,398 | 50,485 | 50,574 | |

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

**OEB Licence Number: ED-2002-0504**

## 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 | = | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| 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 | | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| Interest on Opening Balance | | 109 | 99 | 109 | 106 | 109 | 106 | 109 | 109 | 106 | 109 | 106 | 109 | 1,287 |
| Cummulative Interest This Year | | 109 | 208 | 317 | 423 | 532 | 638 | 747 | 857 | 962 | 1,072 | 1,177 | 1,287 | |
| Cummulative Interest Life to Date | | 50,683 | 50,782 | 50,891 | 50,997 | 51,106 | 51,212 | 51,321 | 51,431 | 51,536 | 51,646 | 51,751 | 51,861 | |

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

**OEB Licence Number: ED-2002-0504**

## 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% | 1.47% | 1.47% | 1.47% | 1.47% | 0.00% | 0.00% | 0.00% | 0.00% | |
| Monthly Interest | | 0.12% | 0.12% | 0.12% | 0.12% | 0.12% | 0.12% | 0.12% | 0.12% | 0.00% | 0.00% | 0.00% | 0.00% | |
| Principal Opening balance: # 1562 | = | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| 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 | | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 | 87,534 |
| Interest on Opening Balance | | 109 | 102 | 109 | 106 | 109 | 106 | 109 | 109 | 0 | 0 | 0 | 0 | 860 |
| Cummulative Interest This Year | | 109 | 212 | 321 | 427 | 536 | 642 | 751 | 860 | 860 | 860 | 860 | 860 | |
| Cummulative Interest Life to Date | | 51,970 | 52,072 | 52,182 | 52,287 | 52,397 | 52,502 | 52,612 | 52,721 | 52,721 | 52,721 | 52,721 | 52,721 | |

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

**OEB Licence Number: ED-2002-0504**

## Request for Disposition of 1562 Balance

| | |
|---|---|
| Principal as of April 30, 2012 | 87,534 |
| Interest as of August 31, 2012 | 52,287 |
| Amount Requested for Disposition of 1562 Balance | 139,822 |

File Number:EB-2012-0061

Exhibit: 3
Tab: 1
Schedule: 1

Date Filed: May 01, 2012

# Attachment 2 of 2

# Updated SIMPILs Models

# Disposition of Balance Recorded in Account 1562 Deferred PILs

| | |
|---|---|
| **Distributor** | **Veridian Connections Inc. - Gravenhurst** |
| **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. - Gravenhurst** | | | 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 | |
| 14 | Was the utility recently acquired by Hydro One | | | | |
| 15 | and now subject to s.89 & 90 PILs? | | Y/N | N | |
| 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% | |
| 24 | Accounting Year End | | Date | 31-Dec-01 | |
| 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) | | | 8,718,402 | |
| 33 | Common Equity Ratio (CER) | | | 50.00% | |
| 35 | 1-CER | | | 50.00% | |
| 37 | Target Return On Equity | | | 9.88% | |
| 39 | Debt rate | | | 7.25% | |
| 41 | Market Adjusted Revenue Requirement | | | 746,731 | |
| 43 | 1999 return from RUD Sheet #7 | | | 215,459 | 215,459 |
| 45 | Total Incremental revenue | | | 531,272 | |
| 46 | **Input: Board-approved dollar amounts phased-in** | | | | |
| 47 | Amount allowed in 2001 | | | 177,091 | 177,091 |
| 48 | Amount allowed in 2002 | | | | 0 |
| 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** | | | | 392,550 |
| 55 | | | | | |
| 56 | Equity | | | 4,359,201 | |
| 58 | Return at target ROE | | | 430,689 | |
| 60 | Debt | | | 4,359,201 | |
| 62 | Deemed interest amount in 100% of MARR | | | 316,042 | |
| 64 | Phase-in of interest - Year 1 (2001) | | | 166,141 | |
| 65 | ((D43+D47)/D41)*D61 | | | | |
| 66 | Phase-in of interest - Year 2 (2002) | | | 166,141 | |
| 67 | ((D43+D47+D48)/D41)*D61 | | | | |
| 68 | Phase-in of interest - Year 3 (2003) and forward | | | 166,141 | |
| 69 | ((D43+D47+D48)/D41)*D61 (due to Bill 210) | | | | |
| 70 | Phase-in of interest - 2005 | | | 316,042 | |
| 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. - Gravenhurst** | | | | | | | |
| 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 | 53,865 | | -17,917 | | 35,948 | |
| 17 | | | | | | | | |
| 18 | BOOK TO TAX ADJUSTMENTS | | | | | | | |
| 19 | ***Additions:*** | | | | | | | |
| 20 | Depreciation & Amortization | 2 | 144,844 | | -13,316 | | 131,528 | |
| 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 | | | 1,514 | | 1,514 | |
| 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"** | | | | 5,534 | | 5,534 | |
| 31 | | | | | | | | |
| 32 | ***Deductions:*** ***Input positive numbers*** | | | | | | | |
| 33 | Capital Cost Allowance and CEC | 7 | 57,738 | | 24,846 | | 82,584 | |
| 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 | 22,797 | | 54,287 | | 77,084 | |
| 38 | Tax reserves - end of year | 4 | | | 0 | | 0 | |
| 39 | Reserves from financial statements - beginning of year | 4 | | | 1,672 | | 1,672 | |
| 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"** | | | | 14,758 | | 14,758 | |
| 49 | | | | | | | | |
| 50 | TAXABLE INCOME/ (LOSS) | | 118,173 | | (119,747) | | (1,574) | |
| 51 | | | | | | | | |
| 52 | BLENDED INCOME TAX RATE | | | | | | | |
| 53 | Tab Tax Rates - Regulatory from Table 1; Actual from Table 3 | 13 | 34.12% | | -34.1200% | | 0.00% | |
| 54 | | | | | | | | |
| 55 | REGULATORY INCOME TAX | | 40,321 | | -40,321 | | 0 | |
| 56 | | | | | | | | |
| 57 | | | | | | | | |
| 58 | Miscellaneous Tax Credits | 14 | | | 0 | | 0 | |
| 59 | | | | | | | | |
| 60 | **Total Regulatory Income Tax** | | 40,321 | | -40,321 | | 0 | |
| 61 | | | | | | | | |
| 62 | | | | | | | | |
| 63 | **II) CAPITAL TAXES** | | | | | | | |
| 64 | | | | | | | | |
| 65 | ***Ontario*** | | | | | | | |
| 66 | Base | 15 | 8,718,402 | | -295,621 | | 8,422,781 | |
| 67 | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 | 16 | 5,000,000 | | 0 | | 5,000,000 | |
| 68 | Taxable Capital | | 3,718,402 | | -295,621 | | 3,422,781 | |
| 69 | | | | | | | | |
| 70 | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 | 17 | 0.3000% | | 0.0000% | | 0.3000% | |
| 71 | | | | | | | | |
| 72 | Ontario Capital Tax | | 2,789 | | -201 | | 2,588 | |
| 73 | | | | | | | | |
| 74 | ***Federal Large Corporations Tax*** | | | | | | | |
| 75 | Base | 18 | 8,718,402 | | -240,698 | | 8,477,704 | |
| 76 | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 | 19 | 10,000,000 | | 0 | | 10,000,000 | |
| 77 | Taxable Capital | | 0 | | -240,698 | | 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. - Gravenhurst** | | | | | | | |
| 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) | | 34.12% | | | | | |
| 89 | | | | | | | | |
| 90 | Income Tax (proxy tax is grossed-up) | 22 | 61,203 | | | **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 | 2,789 | | | **Actual 2001** | 2,733 | |
| 93 | | | | | | | | |
| 94 | | | | | | | | |
| 95 | ***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002*** | 25 | 63,992 | | | **Actual 2002** | 2,733 | |
| 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 | | | 1,514 | | | |
| 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 | | | 1,672 | | | |
| 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 | | = | -158 | | | |
| 121 | | | | | | | | |
| 122 | Income Tax Rate (including surtax) from 2001 Utility's tax return | | | x | 34.12% | | | |
| 123 | | | | | | | | |
| 124 | Income Tax Effect on True-up adjustments | | | = | -54 | | | |
| 125 | | | | | | | | |
| 126 | Less: Miscellaneous Tax Credits | 14 | | | 0 | | | |
| 127 | | | | | | | | |
| 128 | Total Income Tax on True-ups | | | | -54 | | | |
| 129 | | | | | | | | |
| 130 | Income Tax Rate used for gross-up (exclude surtax) | | | | 33.00% | | | |
| 131 | | | | | | | | |
| 132 | **TRUE-UP VARIANCE ADJUSTMENT** | | | | (80) | | | |
| 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) | | | = | 118,173 | | | |
| 137 | | | | | | | | |
| 138 | REVISED CORPORATE INCOME TAX RATE (including Surtax) | | | x | 34.12% | | | |
| 139 | | | | | | | | |
| 140 | REVISED REGULATORY INCOME TAX | | | = | 40,321 | | | |
| 141 | | | | | | | | |
| 142 | Less: Revised Miscellaneous Tax Credits | | | - | 0 | | | |
| 143 | | | | | | | | |
| 144 | Total Revised Regulatory Income Tax | | | = | 40,321 | | | |
| 145 | | | | | | | | |
| 146 | Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) | | | - | 40,321 | | | |
| 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. - Gravenhurst** | | | | | | | |
| 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 | | | = | 8,718,402 | | | |
| 152 | Less: Exemption from tab Tax Rates, Table 2, cell C39 | | | - | 5,000,000 | | | |
| 153 | Revised deemed taxable capital | | | = | 3,718,402 | | | |
| 154 | | | | | | | | |
| 155 | Rate - Tab Tax Rates cell C54 | | | x | 0.3000% | | | |
| 156 | | | | | | | | |
| 157 | Revised Ontario Capital Tax | | | = | 2,812 | | | |
| 158 | Less: Ontario Capital Tax reported in the initial estimate column (Cell C70) | | | - | 2,789 | | | |
| 159 | Regulatory Ontario Capital Tax Variance | | | = | 23 | | | |
| 160 | | | | | | | | |
| 161 | **Federal LCT** | | | | | | | |
| 162 | Base | | | | 8,718,402 | | | |
| 163 | Less: Exemption from tab Tax Rates, Table 2, cell C40 | | | - | 10,000,000 | | | |
| 164 | Revised Federal LCT | | | = | (1,281,598) | | | |
| 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) | | | | 33.00% | | | |
| 176 | | | | | | | | |
| 177 | **Income Tax (grossed-up)** | | | + | 0 | | | |
| 178 | **LCT (grossed-up)** | | | + | 0 | | | |
| 179 | **Ontario Capital Tax** | | | + | 23 | | | |
| 180 | | | | | | | | |
| 181 | **DEFERRAL ACCOUNT VARIANCE ADJUSTMENT** | | | = | 23 | | | |
| 182 | | | | | | | | |
| 183 | **TRUE-UP VARIANCE (from cell I130)** | | | + | (80) | | | |
| 184 | | | | | | | | |
| 185 | **Total Deferral Account Entry (Positive Entry = Debit)** | | | = | (58) | | | |
| 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) | | | | 316,042 | | | |
| 194 | Interest phased-in (Cell C36) | | | | 166,141 | | | |
| 195 | | | | | | | | |
| 196 | Variance due to phase-in of debt component of MARR in rates | | | | 149,902 | | | |
| 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) | | | | 77,084 | | | |
| 202 | Total deemed interest (REGINFO CELL D61) | | | | 79,660 | | | |
| 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** | | | | 149,902 | | | |
| 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. - Gravenhurst** | | | | | |
| 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 | + | 1,843,631 | | 1,843,631 | |
| 32 | Distribution Revenue | + | 303,284 | | 303,284 | |
| 33 | Other Income | + | 41,534 | | 41,534 | |
| 34 | Miscellaneous income | + | | | 0 | |
| 35 | | + | | | 0 | |
| 36 | Revenue should be entered above this line | | | | | |
| 37 | | | | | | |
| 38 | **Costs and Expenses:** | | | | | |
| 39 | Cost of energy purchased | - | 1,843,631 | | 1,843,631 | |
| 40 | Administration | - | 50,890 | | 50,890 | |
| 41 | Customer billing and collecting | - | 65,722 | | 65,722 | |
| 42 | Operations and maintenance | - | 58,555 | | 58,555 | |
| 43 | Amortization | - | 131,528 | | 131,528 | |
| 44 | Ontario Capital Tax | - | | | 0 | |
| 45 | Reg Assets | - | | | 0 | |
| 46 | Municipal property taxes | - | 2,175 | | 2,175 | |
| 47 | Federal LCT | - | | | 0 | |
| 48 | | - | | | 0 | |
| 49 | | | | | | |
| 50 | **Net Income Before Interest & Income Taxes EBIT** | = | 35,948 | 0 | 35,948 | |
| 51 | Less: Interest expense for accounting purposes | - | 77,084 | | 77,084 | |
| 52 | Provision for payments in lieu of income taxes | - | | | 0 | |
| 53 | **Net Income (loss)** | = | -41,136 | 0 | -41,136 | |
| 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 | + | 131,528 | 0 | 131,528 | |
| 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 | + | 1,514 | 0 | 1,514 | |
| 65 | Regulatory adjustments on which true-up may apply (see A66) | + | | | 0 | |
| 66 | ***Items on which true-up does not apply "TAXREC 3"*** | | 5,534 | 0 | 5,534 | |
| 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* | | 138,576 | 0 | 138,576 | |
| 71 | | | | | | |

| | 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** | |
| 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 | = | 138,576 | 0 | 138,576 | |
| 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 | - | 76,377 | | 76,377 | |
| 98 | Cumulative eligible capital deduction | - | 6,207 | | 6,207 | |
| 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* | - | 1,672 | 0 | 1,672 | |
| 106 | *Contributions to deferred income plans* | - | | | 0 | |
| 107 | *Contributions to pension plans* | - | | | 0 | |
| 108 | ***Items on which true-up does not apply "TAXREC 3"*** | | 14,758 | 0 | 14,758 | |
| 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 | = | 99,014 | 0 | 99,014 | |
| 114 | *Other deductions (Please explain the nature of the deductions)* | | | | | |
| 115 | **Charitable donations - tax basis** | - | | | 0 | |
| 116 | | - | | | 0 | |
| 117 | | - | | | 0 | |
| 118 | | | | | 0 | |
| 119 | | - | | | 0 | |
| 120 | *Total Other Deductions* | = | 0 | 0 | 0 | |
| 121 | | | | | | |
| 122 | Total Deductions | = | 99,014 | 0 | 99,014 | |
| 123 | | | | | | |
| 124 | Recap Material Deductions: | | | | | |
| 125 | | | 0 | 0 | 0 | |
| 126 | | | 0 | 0 | 0 | |
| 127 | | | 0 | 0 | 0 | |
| 128 | | | 0 | 0 | 0 | |
| 129 | | | 0 | 0 | 0 | |
| 130 | *Total Other Deductions exceed materiality level* | | 0 | 0 | 0 | |
| 131 | Other Deductions less than materiality level | | 0 | 0 | 0 | |
| 132 | Total Other Deductions | | 0 | 0 | 0 | |
| 133 | | | | | | |
| 134 | TAXABLE INCOME | = | -1,574 | 0 | -1,574 | |
| 135 | DEDUCT: | | | | | |
| 136 | Non-capital loss applied positive number | - | | | 0 | |
| 137 | Net capital loss applied positive number | - | | | 0 | |
| 138 | | | | | 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** | |
| 139 | NET TAXABLE INCOME | = | (1,574) | 0 | (1,574) | |
| 140 | | | | | | |
| 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 | | 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 | + | 2,733 | | 2,733 | |
| 158 | Federal Large Corporations Tax | + | | | 0 | |
| 159 | | | | | | |
| 160 | **Total income and capital taxes** | = | 2,733 | 0 | 2,733 | |
| 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. - Gravenhurst** | | | | | |
| 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 | Employee Future Benefits | | | | 0 | |
| 19 | | | | | 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 | Employee Future Benefits | | | | 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 | | 1,672 | | 1,672 | |
| 48 | | | | | 0 | |
| 49 | | | | | 0 | |
| 50 | **Total (**carry forward to the TAXREC worksheet) | | 1,672 | 0 | 1,672 | |
| 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 | | 1,514 | | 1,514 | |
| 60 | | | | | 0 | |
| 61 | | | | | 0 | |
| 62 | Insert line above this line | | | | | |
| 63 | **Total (**carry forward to the TAXREC worksheet) | | 1,514 | 0 | 1,514 | |
| 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | **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 | + | 615 | | 615 | |
| 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 | Financing Fees | + | 4,396 | | 4,396 | |
| 45 | Tools < $200 expensed | + | 493 | | 493 | |
| 46 | Charitable Donations | + | 30 | | | |
| 47 | **Total Additions on which true-up does not apply** | = | 5,534 | 0 | 5,504 | |
| 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 | - | 2,000 | | 2,000 | |
| 55 | Financing fee amorization - considered to be interest expense for PILs | - | 1,785 | | 1,785 | |
| 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 | Transition Costs capitalized | - | 8,240 | | 8,240 | |
| 60 | Capital Tax | - | 2,733 | | 2,733 | |
| 61 | | - | | | 0 | |
| 62 | | - | | | 0 | |
| 63 | | - | | | 0 | |
| 64 | | - | | | 0 | |
| 65 | | - | | | 0 | |
| 66 | | - | | | 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** | = | 14,758 | 0 | 14,758 | |
| 74 | | | | | | |

| | 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. - Gravenhurst** | | | | **Version 2009.1** | |
| 75 | | | | | | |

PILs TAXES
Corporate Tax Rates
Version 2009.1
Exemptions, Deductions, or Thresholds
Utility Name: Veridian Connections Inc. - Gravenhurst
Reporting period: 2001

Table 1

Rates Used in 2001 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 2001 and Capital Tax Exemptions for 2002

| Income Range | | 0 to 200,000 | | 200,001 to 700,000 | >700,000 |
|---|---|---|---|---|---|
| Expected Rates | Year | | | | |
| Income Tax Rate | | | | | |
| *Current year* | *2001* | | | | |
| *Federal (Includes surtax)* | *2001* | 13.12% | | 26.12% | 26.12% |
| *Ontario* | *2001* | 6.00% | | 6.00% | 12.50% |
| *Blended rate* | *2001* | 19.12% | | 32.12% | 38.62% |
| | | | | | |
| Capital Tax Rate | *2001* | 0.300% | | | |
| LCT rate | *2001* | 0.225% | | | |
| Surtax | *2001* | 1.12% | | | |
| Ontario Capital Tax Exemption *** 2001 | MAX $5MM | 5,000,000 | | | |
| Federal Large Corporations Tax Exemption *** 2001 | 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 2001 Tax Returns

| Income Range | | 0 to 200,000 | | 200,001 to 700,000 | >700,000 |
|---|---|---|---|---|---|
| | Year | | | | |
| Income Tax Rate | | | | | |
| *Current year* | *2001* | | | | |
| *Federal (Includes surtax)* | | 13.12% | | 28.12% | 28.12% |
| *Ontario* | | 6.00% | | 6.00% | 12.50% |
| *Blended rate* | | 19.12% | | 34.12% | 40.62% |
| | | | | | |
| 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 | P |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **PILs TAXES** | | | | | | | | | | | | | | | |
| 2 | **Analysis of PILs Tax Account 1562:** | | | | | | | | | | | | | | | |
| 3 | **Utility Name: Veridian Connections Inc. - Gravenhurst** | | | | | | | | | | | | | | **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 | | -58 | | -58 | | -58 | | -58 | | -58 | | 0 | |
| 12 | **Board-approved PILs tax proxy from Decisions (1)** | +/- | | | | | | | | | | | | | 0 | |
| 14 | **True-up Variance Adjustment Q4, 2001 (2)** | +/- | -80 | | | | | | | | | | | | -80 | |
| 16 | **True-up Variance Adjustment (3)** | +/- | | | | | | | | | | | | | 0 | |
| 18 | **Deferral Account Variance Adjustment Q4, 2001 (4)** | +/- | 23 | | | | | | | | | | | | 23 | |
| 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** | | -58 | | -58 | | -58 | | -58 | | -58 | | -58 | | -58 | |
| 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 ratepayers. | | | | | | | | | | | | | | | |
| 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 Deferred PILs

| | |
|---|---|
| **Distributor** | **Veridian Connections Inc. - Gravenhurst** |
| **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. - Gravenhurst** | | | 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 | |
| 14 | Was the utility recently acquired by Hydro One | | | | |
| 15 | and now subject to s.89 & 90 PILs? | | Y/N | N | |
| 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% | |
| 24 | Accounting Year End | | Date | 12-31-2002 | |
| 26 | **MARR NO TAX CALCULATIONS** | | | | **Regulatory** |
| 27 | **SHEET #7 FINAL RUD MODEL DATA** | | | | **Income** |
| 28 | **(FROM 1999 FINANCIAL STATEMENTS)** | | | | |
| 29 | **USE BOARD-APPROVED AMOUNTS** | | | | |
| 30 | | | | | |
| 31 | Rate Base (wires-only) | | | 8,718,402 | |
| 33 | Common Equity Ratio (CER) | | | 50.00% | |
| 35 | 1-CER | | | 50.00% | |
| 37 | Target Return On Equity | | | 9.88% | |
| 39 | Debt rate | | | 7.25% | |
| 41 | Market Adjusted Revenue Requirement | | | 746,731 | |
| 43 | 1999 return from RUD Sheet #7 | | | 215,459 | 215,459 |
| 45 | Total Incremental revenue | | | 531,272 | |
| 46 | **Input: Board-approved dollar amounts phased-in** | | | | |
| 47 | Amount allowed in 2001 | | | 177,091 | 177,091 |
| 48 | Amount allowed in 2002 | | | 177,091 | 177,091 |
| 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** | | | | 569,641 |
| 55 | | | | | |
| 56 | Equity | | | 4,359,201 | |
| 57 | | | | | |
| 58 | Return at target ROE | | | 430,689 | |
| 59 | | | | | |
| 60 | Debt | | | 4,359,201 | |
| 61 | | | | | |
| 62 | Deemed interest amount in 100% of MARR | | | 316,042 | |
| 63 | | | | | |
| 64 | Phase-in of interest - Year 1 (2001) | | | 166,141 | |
| 65 | ((D43+D47)/D41)*D61 | | | | |
| 66 | Phase-in of interest - Year 2 (2002) | | | 241,091 | |
| 67 | ((D43+D47+D48)/D41)*D61 | | | | |
| 68 | Phase-in of interest - Year 3 (2003) and forward | | | 241,091 | |
| 69 | ((D43+D47+D48)/D41)*D61 (due to Bill 210) | | | | |
| 70 | Phase-in of interest - 2005 | | | 316,042 | |
| 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. - Gravenhurst** | | | | | | | |
| 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 | 569,641 | | 71,069 | | 640,710 | |
| 17 | | | | | | | | |
| 18 | BOOK TO TAX ADJUSTMENTS | | | | | | | |
| 19 | ***Additions:*** | | | | | | | |
| 20 | Depreciation & Amortization | 2 | 604,539 | | -138,188 | | 466,351 | |
| 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 | MARR from Year 1 - Not allowed in 2001-Implemented Jan 1, 2002 | | 132,818 | | -132,818 | | | |
| 26 | Other Additions (See Tab entitled "TAXREC") | | | | | | | |
| 27 | "Material" Items from "TAXREC" worksheet | 6 | | | 0 | | 0 | |
| 28 | Other Additions (not "Material") "TAXREC" | 6 | | | 0 | | 0 | |
| 29 | "Material Items from "TAXREC 2" worksheet | 6 | | | 0 | | 0 | |
| 30 | Other Additions (not "Material") "TAXREC 2" | 6 | | | 0 | | 0 | |
| 31 | **Items on which true-up does not apply "TAXREC 3"** | | | | 97,199 | | 97,199 | |
| 32 | | | | | | | | |
| 33 | ***Deductions: Input positive numbers*** | | | | | | | |
| 34 | Capital Cost Allowance and CEC | 7 | 453,790 | | 184,802 | | 638,592 | |
| 35 | Employee Benefit Plans - Paid Amounts | 8 | | | 0 | | 0 | |
| 36 | Items Capitalized for Regulatory Purposes | 9 | | | 0 | | 0 | |
| 37 | Regulatory Adjustments - deduction for tax purposes in Item 5 | 10 | | | 0 | | 0 | |
| 38 | Interest Expense Deemed/ Incurred | 11 | 241,091 | | 73,986 | | 315,077 | |
| 39 | Tax reserves - end of year | 4 | | | 0 | | 0 | |
| 40 | Reserves from financial statements - beginning of year | 4 | | | 0 | | 0 | |
| 41 | Contributions to deferred income plans | 3 | | | 0 | | 0 | |
| 42 | Contributions to pension plans | 3 | | | 0 | | 0 | |
| 43 | Interest capitalized for accounting but deducted for tax | 11 | | | 0 | | 0 | |
| 44 | Other Deductions (See Tab entitled "TAXREC") | | | | | | | |
| 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"** | | | | 0 | | 0 | |
| 50 | | | | | | | | |
| 51 | TAXABLE INCOME/ (LOSS) | | 612,117 | | (361,526) | | 250,591 | |
| 52 | | | | | | | | |
| 53 | BLENDED INCOME TAX RATE | | | | | | | |
| 54 | Tab Tax Rates - Regulatory from Table 1; Actual from Table 3 | 13 | 34.12% | | -1.9200% | | 32.20% | |
| 55 | | | | | | | | |
| 56 | REGULATORY INCOME TAX | | 208,854 | | -156,740 | | 52,114 | |
| 57 | | | | | | | | |
| 58 | | | | | | | | |
| 59 | Miscellaneous Tax Credits | 14 | | | 0 | | 0 | |
| 60 | | | | | | | | |
| 61 | **Total Regulatory Income Tax** | | 208,854 | | -156,740 | | 52,114 | |
| 62 | | | | | | | | |
| 63 | | | | | | | | |
| 64 | **II) CAPITAL TAXES** | | | | | | | |
| 65 | | | | | | | | |
| 66 | ***Ontario*** | | | | | | | |
| 67 | Base | 15 | 8,718,402 | | -363,777 | | 8,354,625 | |
| 68 | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 | 16 | 5,000,000 | | 0 | | 5,000,000 | |
| 69 | Taxable Capital | | 3,718,402 | | -363,777 | | 3,354,625 | |
| 70 | | | | | | | | |
| 71 | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 | 17 | 0.3000% | | 0.0000% | | 0.3000% | |
| 72 | | | | | | | | |
| 73 | Ontario Capital Tax | | 11,155 | | -1,091 | | 10,064 | |
| 74 | | | | | | | | |
| 75 | ***Federal Large Corporations Tax*** | | | | | | | |
| 76 | Base | 18 | 8,718,402 | | -363,777 | | 8,354,625 | |
| 77 | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 | 19 | 10,000,000 | | 0 | | 10,000,000 | |
| 78 | Taxable Capital | | 0 | | -363,777 | | 0 | |
| 79 | | | | | | | | |
| 80 | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 | 20 | 0.2250% | | 0.0000% | | 0.2250% | |
| 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 | | 0 | |
| 84 | | | | | | | | |
| 85 | Net LCT | | 0 | | 0 | | 0 | |
| 86 | | | | | | | | |

| | 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. - Gravenhurst** | | | | | | | |
| 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 | | | | | | | | |
| 87 | **III) INCLUSION IN RATES** | | | | | | | |
| 88 | | | | | | | | |
| 89 | Income Tax Rate used for gross- up (exclude surtax) | | 34.12% | | | | | |
| 90 | | | | | | | | |
| 91 | Income Tax (proxy tax is grossed-up) | 22 | 317,022 | | | **Actual 2002** | 52,114 | |
| 92 | LCT (proxy tax is grossed-up) | 23 | 0 | | | **Actual 2002** | 0 | |
| 93 | Ontario Capital Tax (no gross-up since it is deductible) | 24 | 11,155 | | | **Actual 2002** | 10,702 | |
| 94 | | | | | | | | |
| 95 | | | | | | | | |
| 96 | ***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002*** | 25 | 328,177 | | | **Actual 2002** | 62,816 | |
| 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 | | | 0 | | | |
| 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 **2002** Utility's tax return | | | x | 34.12% | | | |
| 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) | | | | 33.00% | | | |
| 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) | | | = | 612,117 | | | |
| 138 | | | | | | | | |
| 139 | REVISED CORPORATE INCOME TAX RATE (including surtax) | | | x | 34.12% | | | |
| 140 | | | | | | | | |
| 141 | REVISED REGULATORY INCOME TAX | | | = | 208,854 | | | |
| 142 | | | | | | | | |
| 143 | Less: Revised Miscellaneous Tax Credits | | | - | 0 | | | |
| 144 | | | | | | | | |
| 145 | Total Revised Regulatory Income Tax | | | = | 208,854 | | | |
| 146 | | | | | | | | |
| 147 | Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) | | | - | 208,854 | | | |
| 148 | | | | | | | | |
| 149 | Regulatory Income Tax Variance | | | = | 0 | | | |
| 150 | | | | | | | | |

| | 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. - Gravenhurst** | | | | | | | |
| 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 | | | | | | | | |
| 151 | **Ontario Capital Tax** | | | | | | | |
| 152 | Base | | | = | 8,718,402 | | | |
| 153 | Less: Exemption from tab Tax Rates, Table 2, cell C39 | | | - | 5,000,000 | | | |
| 154 | Revised deemed taxable capital | | | = | 3,718,402 | | | |
| 155 | | | | | | | | |
| 156 | Rate - Tab Tax Rates cell C54 | | | x | 0.3000% | | | |
| 157 | | | | | | | | |
| 158 | Revised Ontario Capital Tax | | | = | 11,155 | | | |
| 159 | Less: Ontario Capital Tax reported in the initial estimate column (Cell C70) | | | - | 11,155 | | | |
| 160 | Regulatory Ontario Capital Tax Variance | | | = | 0 | | | |
| 161 | | | | | | | | |
| 162 | **Federal LCT** | | | | | | | |
| 163 | Base | | | | 8,718,402 | | | |
| 164 | Less: Exemption from tab Tax Rates, Table 2, cell C40 | | | - | 10,000,000 | | | |
| 165 | Revised Federal LCT | | | = | (1,281,598) | | | |
| 166 | | | | | | | | |
| 167 | Rate (as a result of legislative changes) tab 'Tax Rates' cell C51 | | | | 0.2250% | | | |
| 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) | | | | 33.00% | | | |
| 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) | | | | 316,042 | | | |
| 195 | Interest phased-in (Cell C36) | | | | 241,091 | | | |
| 196 | | | | | | | | |
| 197 | Variance due to phase-in of debt component of MARR in rates | | | | 74,951 | | | |
| 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) | | | | 315,077 | | | |
| 203 | Total deemed interest (REGINFO CELL D61) | | | | 316,042 | | | |
| 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** | | | | 74,951 | | | |
| 210 | | | | | | | | |
| 211 | | | | | | | | |
| 212 | | | | | | | | |

| | 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. - Gravenhurst** | | | | |
| 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 | + | | | 0 |
| 32 | Distribution Revenue | + | 2,509,260 | | 2,509,260 |
| 33 | Other Income | + | 63,917 | | 63,917 |
| 34 | Miscellaneous income | + | | | 0 |
| 35 | | + | | | 0 |
| 36 | Revenue should be entered above this line | | | | |
| 37 | | | | | |
| 38 | **Costs and Expenses:** | | | | |
| 39 | Cost of energy purchased | - | | | 0 |
| 40 | Administration | - | 1,466,116 | | 1,466,116 |
| 41 | Customer billing and collecting | - | | | 0 |
| 42 | Operations and maintenance | - | | | 0 |
| 43 | Amortization | - | 466,351 | | 466,351 |
| 44 | Ontario Capital Tax | - | | | 0 |
| 45 | | - | | | 0 |
| 46 | | - | | | 0 |
| 47 | | - | | | 0 |
| 48 | | - | | | 0 |
| 49 | | | | | |
| 50 | **Net Income Before Interest & Income Taxes EBIT** | = | 640,710 | 0 | 640,710 |
| 51 | Less: Interest expense for accounting purposes | - | 315,077 | | 315,077 |
| 52 | Provision for payments in lieu of income taxes | - | 65,546 | | 65,546 |
| 53 | **Net Income (loss)** | = | 260,087 | 0 | 260,087 |
| 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 | + | 65,546 | 0 | 65,546 |
| 60 | Federal large corporation tax | + | | | 0 |
| 61 | Depreciation & Amortization | + | 466,351 | 0 | 466,351 |
| 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"*** | | 97,199 | 0 | 97,199 |
| 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* | | 629,096 | 0 | 629,096 |
| 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 | = | 629,096 | 0 | 629,096 |
| 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 | - | 614,399 | | 614,399 |
| 98 | Cumulative eligible capital deduction | - | 24,193 | | 24,193 |
| 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"*** | | 0 | 0 | 0 |
| 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 | = | 638,592 | 0 | 638,592 |
| 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 | = | 638,592 | 0 | 638,592 |
| 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 | = | 250,591 | 0 | 250,591 |
| 135 | DEDUCT: | | | | |
| 136 | Non-capital loss applied positive number | - | 1,258 | | 1,258 |
| 137 | Net capital loss applied positive number | - | | | 0 |
| 138 | | | | | 0 |
| 139 | NET TAXABLE INCOME | = | 249,333 | 0 | 249,333 |
| 140 | | | | | |
| 141 | **FROM ACTUAL TAX RETURNS** | | | | |
| 142 | Net Federal Income Tax (Must agree with tax return) | + | 37,154 | | 37,154 |
| 143 | Net Ontario Income Tax (Must agree with tax return) | + | 14,960 | | 14,960 |
| 144 | Subtotal | = | 52,114 | 0 | 52,114 |
| 145 | Less: Miscellaneous tax credits (Must agree with tax returns) | - | 0 | | 0 |
| 146 | **Total Income Tax** | = | 52,114 | 0 | 52,114 |
| 147 | | | | | |
| 148 | **FROM ACTUAL TAX RETURNS** | | | | |
| 149 | Net Federal Income Tax Rate (Must agree with tax return) | | 14.90% | | 14.90% |
| 150 | Net Ontario Income Tax Rate (Must agree with tax return) | | 6.00% | | 6.00% |
| 151 | Blended Income Tax Rate | | 20.90% | ********** | 20.90% |
| 152 | | | | | |
| 153 | **Section F: Income and Capital Taxes** | | | | |
| 154 | | | | | |
| 155 | **RECAP** | | | | |
| 156 | Total Income Taxes | + | 52,114 | 0 | 52,114 |
| 157 | Ontario Capital Tax | + | 10,702 | | 10,702 |
| 158 | Federal Large Corporations Tax | + | | | 0 |
| 159 | | | | | |
| 160 | **Total income and capital taxes** | = | 62,816 | 0 | 62,816 |

| | 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | **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 | + | 97,199 | | 97,199 | |
| 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 | | + | | | 0 | |
| 41 | | + | | | 0 | |
| 42 | | + | | | 0 | |
| 43 | *Other Additions: (please explain in detail the nature of the item)* | + | | | 0 | |
| 44 | | + | | | 0 | |
| 45 | | + | | | 0 | |
| 46 | | + | | | | |
| 47 | **Total Additions on which true-up does not apply** | = | 97,199 | 0 | 97,199 | |
| 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 | | - | | | 0 | |
| 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. - Gravenhurst** | | | | **Version 2009.1** | |
| 72 | | - | | | 0 | |
| 73 | **Total Deductions on which true-up does not apply** | = | 0 | 0 | 0 | |
| 74 | | | | | | |
| 75 | | | | | | |

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

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

| Income Range / RAM 2002 | Year | 0 to 200,000 | | 200,001 to 700,000 | >700,000 |
|---|---|---|---|---|---|
| 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 | Year | 0 to 200,000 | | 200,001 to 700,000 | >700,000 |
|---|---|---|---|---|---|
| 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 | Year | 0 to 200,000 | | 200,001 to 700,000 | >700,000 |
|---|---|---|---|---|---|
| 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. - Gravenhurst** | | | | | | | | | | | | | | **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 | | 0 | | 0 | | 0 | | 0 | | 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)** | +/- | | | 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.

# Disposition of Balance Recorded in Account 1562 Deferred PIL

| | |
|---|---|
| **Distributor** | **Veridian Connections Inc. - Gravenhurst** |
| **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. - Gravenhurst** | | | 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) | | | 8,718,402 | |
| 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 | | | 746,731 | |
| 42 | | | | | |
| 43 | 1999 return from RUD Sheet #7 | | | 215,459 | 215,459 |
| 44 | | | | | |
| 45 | Total Incremental revenue | | | 531,272 | |
| 46 | **Input: Board-approved dollar amounts phased-in** | | | | |
| 47 | Amount allowed in 2001 | | | 177,091 | 177,091 |
| 48 | Amount allowed in 2002 | | | 177,091 | 177,091 |
| 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** | | | | 569,641 |
| 55 | | | | | |
| 56 | Equity | | | 4,359,201 | |
| 57 | | | | | |
| 58 | Return at target ROE | | | 430,689 | |
| 59 | | | | | |
| 60 | Debt | | | 4,359,201 | |
| 61 | | | | | |
| 62 | Deemed interest amount in 100% of MARR | | | 316,042 | |
| 63 | | | | | |
| 64 | Phase-in of interest - Year 1 (2001) | | | 166,141 | |
| 65 | ((D43+D47)/D41)*D61 | | | | |
| 66 | Phase-in of interest - Year 2 (2002) | | | 241,091 | |
| 67 | ((D43+D47+D48)/D41)*D61 | | | | |
| 68 | Phase-in of interest - Year 3 (2003) and forward | | | 241,091 | |
| 69 | ((D43+D47+D48)/D41)*D61 (due to Bill 210) | | | | |
| 70 | Phase-in of interest - 2005 | | | 316,042 | |
| 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. - Gravenhurst** | | | | | | | |
| 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 | 569,641 | | 838,631 | | 1,408,272 | |
| 17 | | | | | | | | |
| 18 | BOOK TO TAX ADJUSTMENTS | | | | | | | |
| 19 | ***Additions:*** | | | | | | | |
| 20 | Depreciation & Amortization | 2 | 604,539 | | -135,059 | | 469,480 | |
| 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 | MARR from Year 1 - Not allowed in 2001-Implemented Jan 1, 2002 | | 132,818 | | -132,818 | | | |
| 26 | Other Additions (See Tab entitled "TAXREC") | | | | | | | |
| 27 | "Material" Items from "TAXREC" worksheet | 6 | | | 0 | | 0 | |
| 28 | Other Additions (not "Material") "TAXREC" | 6 | | | 0 | | 0 | |
| 29 | "Material Items from "TAXREC 2" worksheet | 6 | | | 0 | | 0 | |
| 30 | Other Additions (not "Material") "TAXREC 2" | 6 | | | 0 | | 0 | |
| 31 | **Items on which true-up does not apply "TAXREC 3"** | | | | 0 | | 0 | |
| 32 | | | | | | | | |
| 33 | ***Deductions:*** ***Input positive numbers*** | | | | | | | |
| 34 | Capital Cost Allowance and CEC | 7 | 453,790 | | 142,488 | | 596,278 | |
| 35 | Employee Benefit Plans - Paid Amounts | 8 | | | 0 | | 0 | |
| 36 | Items Capitalized for Regulatory Purposes | 9 | | | 0 | | 0 | |
| 37 | Regulatory Adjustments - deduction for tax purposes in Item 5 | 10 | | | 0 | | 0 | |
| 38 | Interest Expense Deemed/ Incurred | 11 | 241,091 | | 80,558 | | 321,649 | |
| 39 | Tax reserves - end of year | 4 | | | 0 | | 0 | |
| 40 | Reserves from financial statements - beginning of year | 4 | | | 0 | | 0 | |
| 41 | Contributions to deferred income plans | 3 | | | 0 | | 0 | |
| 42 | Contributions to pension plans | 3 | | | 0 | | 0 | |
| 43 | Interest capitalized for accounting but deducted for tax | 11 | | | 0 | | 0 | |
| 44 | Other Deductions (See Tab entitled "TAXREC") | | | | | | | |
| 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"** | | | | 12,000 | | 12,000 | |
| 50 | | | | | | | | |
| 51 | TAXABLE INCOME/ (LOSS) | | 612,117 | | 335,708 | Before loss C/F | 947,825 | |
| 52 | | | | | | | | |
| 53 | BLENDED INCOME TAX RATE | | | | | | | |
| 54 | Tab Tax Rates - Regulatory from Table 1; Actual from Table 3 | 13 | 34.12% | | -2.2500% | | 31.87% | |
| 55 | | | | | | | | |
| 56 | REGULATORY INCOME TAX | | 208,854 | | 112,200 | Actual | 321,054 | |
| 57 | | | | | | | | |
| 58 | | | | | | | | |
| 59 | Miscellaneous Tax Credits | 14 | | | 806 | Actual | 806 | |
| 60 | | | | | | | | |
| 61 | **Total Regulatory Income Tax** | | 208,854 | | 111,394 | Actual | 320,248 | |
| 62 | | | | | | | | |
| 63 | | | | | | | | |
| 64 | **II) CAPITAL TAXES** | | | | | | | |
| 65 | | | | | | | | |
| 66 | ***Ontario*** | | | | | | | |
| 67 | Base | 15 | 8,718,402 | | -4,721,968 | | 3,996,434 | |
| 68 | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 | 16 | 5,000,000 | | 0 | | 5,000,000 | |
| 69 | Taxable Capital | | 3,718,402 | | -4,721,968 | | 0 | |
| 70 | | | | | | | | |
| 71 | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 | 17 | 0.3000% | | 0.0000% | | 0.3000% | |
| 72 | | | | | | | | |
| 73 | Ontario Capital Tax | | 11,155 | | -11,155 | **Overpaid** | 0 | |
| 74 | | | | | | | | |
| 75 | ***Federal Large Corporations Tax*** | | | | | | | |
| 76 | Base | 18 | 8,718,402 | | -4,721,968 | | 3,996,434 | |
| 77 | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 | 19 | 10,000,000 | | 0 | | 10,000,000 | |
| 78 | Taxable Capital | | 0 | | -4,721,968 | | 0 | |
| 79 | | | | | | | | |
| 80 | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 | 20 | 0.2250% | | 0.0000% | | 0.2250% | |
| 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 | | 2,733 | | 2,733 | |
| 84 | | | | | | | | |
| 85 | Net LCT | | 0 | | -2,733 | | -2,733 | |
| 86 | | | | | | | | |

| | 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. - Gravenhurst** | | | | | | | |
| 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 | | | | | | | | |
| 87 | **III) INCLUSION IN RATES** | | | | | | | |
| 88 | | | | | | | | |
| 89 | Income Tax Rate used for gross- up (exclude surtax) | | 34.12% | | | | | |
| 90 | | | | | | | | |
| 91 | Income Tax (proxy tax is grossed-up) | 22 | 317,022 | | | **Actual 2003** | 321,054 | |
| 92 | LCT (proxy tax is grossed-up) | 23 | 0 | | | **Actual 2003** | 0 | |
| 93 | Ontario Capital Tax (no gross-up since it is deductible) | 24 | 11,155 | | | **Actual 2003** | 0 | |
| 94 | | | | | | | | |
| 95 | | | | | | | | |
| 96 | ***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002*** | 25 | 328,177 | | | **Actual 2003** | 321,054 | |
| 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 | | | 5,607 | | | |
| 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 | | | 0 | | | |
| 119 | Other deductions "Material" Item TAXREC 2 | 12 | | | 0 | | | |
| 120 | | | | | | | | |
| 121 | Total TRUE-UPS before tax effect | 26 | | = | -5,607 | | | |
| 122 | | | | | | | | |
| 123 | Income Tax Rate (including surtax) from **2003** Utility's tax return | | | x | 31.87% | | | |
| 124 | | | | | | | | |
| 125 | Income Tax Effect on True-up adjustments | | | = | -1,787 | | | |
| 126 | | | | | | | | |
| 127 | Less: Miscellaneous Tax Credits | 14 | | | 0 | | | |
| 128 | | | | | | | | |
| 129 | Total Income Tax on True-ups | | | | -1,787 | | | |
| 130 | | | | | | | | |
| 131 | Income Tax Rate used for gross-up (exclude surtax) | | | | 30.75% | | | |
| 132 | | | | | | | | |
| 133 | **TRUE-UP VARIANCE ADJUSTMENT** | | | | (2,580) | | | |
| 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) | | | = | 612,117 | | | |
| 138 | | | | | | | | |
| 139 | REVISED CORPORATE INCOME TAX RATE (including Surtax) | | | x | 31.87% | | | |
| 140 | | | | | | | | |
| 141 | REVISED REGULATORY INCOME TAX | | | = | 195,082 | | | |
| 142 | | | | | | | | |
| 143 | Less: Revised Miscellaneous Tax Credits | | | - | 806 | | | |
| 144 | | | | | | | | |
| 145 | Total Revised Regulatory Income Tax | | | = | 194,276 | | | |
| 146 | | | | | | | | |
| 147 | Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) | | | - | 208,854 | | | |
| 148 | | | | | | | | |
| 149 | Regulatory Income Tax Variance | | | = | (14,579) | | | |
| 150 | | | | | | | | |

| | 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. - Gravenhurst** | | | | | | | |
| 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 | | | | | | | | |
| 151 | **Ontario Capital Tax** | | | | | | | |
| 152 | Base | | | = | 8,718,402 | | | |
| 153 | Less: Exemption from tab Tax Rates, Table 2, cell C39 | | | - | 5,000,000 | | | |
| 154 | Revised deemed taxable capital | | | = | 3,718,402 | | | |
| 155 | | | | | | | | |
| 156 | Rate - Tab Tax Rates cell C54 | | | x | 0.3000% | | | |
| 157 | | | | | | | | |
| 158 | Revised Ontario Capital Tax | | | = | 11,155 | | | |
| 159 | Less: Ontario Capital Tax reported in the initial estimate column (Cell C70) | | | - | 11,155 | | | |
| 160 | Regulatory Ontario Capital Tax Variance | | | = | 0 | | | |
| 161 | | | | | | | | |
| 162 | **Federal LCT** | | | | | | | |
| 163 | Base | | | | 8,718,402 | | | |
| 164 | Less: Exemption from tab Tax Rates, Table 2, cell C40 | | | - | 10,000,000 | | | |
| 165 | Revised Federal LCT | | | = | (1,281,598) | | | |
| 166 | | | | | | | | |
| 167 | Rate (as a result of legislative changes) tab 'Tax Rates' cell C51 | | | | 0.2250% | | | |
| 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) | | | | 30.75% | | | |
| 177 | | | | | | | | |
| 178 | **Income Tax (grossed-up)** | | | + | (21,052) | | | |
| 179 | **LCT (grossed-up)** | | | + | 0 | | | |
| 180 | **Ontario Capital Tax** | | | + | 0 | | | |
| 181 | | | | | | | | |
| 182 | **DEFERRAL ACCOUNT VARIANCE ADJUSTMENT** | | | = | (21,052) | | | |
| 183 | | | | | | | | |
| 184 | **TRUE-UP VARIANCE (from cell I130)** | | | + | (2,580) | | | |
| 185 | | | | | | | | |
| 186 | **Total Deferral Account Entry (Positive Entry = Debit)** | | | = | (23,633) | | | |
| 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) | | | | 316,042 | | | |
| 195 | Interest phased-in (Cell C36) | | | | 241,091 | | | |
| 196 | | | | | | | | |
| 197 | Variance due to phase-in of debt component of MARR in rates | | | | 74,951 | | | |
| 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) | | | | 321,649 | | | |
| 203 | Total deemed interest (REGINFO CELL D61) | | | | 316,042 | | | |
| 204 | | | | | | | | |
| 205 | Variance caused by excess debt | | | | 5,607 | | | |
| 206 | | | | | | | | |
| 207 | **Interest Adjustment for Tax Purposes (carry forward to Cell I110)** | | | | 5,607 | | | |
| 208 | | | | | | | | |
| 209 | **Total Interest Variance** | | | | 69,344 | | | |
| 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. - Gravenhurst** | | | | | |
| 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 | + | | | 0 | |
| 32 | Distribution Revenue | + | 3,358,806 | | 3,358,806 | |
| 33 | Other Income | + | 189,695 | | 189,695 | |
| 34 | Miscellaneous income | + | | | 0 | |
| 35 | | + | | | 0 | |
| 36 | Revenue should be entered above this line | | | | | |
| 37 | | | | | | |
| 38 | **Costs and Expenses:** | | | | | |
| 39 | Cost of energy purchased | - | | | 0 | |
| 40 | Administration | - | 1,670,749 | | 1,670,749 | |
| 41 | Customer billing and collecting | - | | | 0 | |
| 42 | Operations and maintenance | - | | | 0 | |
| 43 | Amortization | - | $469,480 | | 469,480 | |
| 44 | Ontario Capital Tax | - | | | 0 | |
| 45 | | - | | | 0 | |
| 46 | | - | | | 0 | |
| 47 | | - | | | 0 | |
| 48 | | - | | | 0 | |
| 49 | | | | | | |
| 50 | **Net Income Before Interest & Income Taxes EBIT** | = | 1,408,272 | 0 | 1,408,272 | |
| 51 | Less: Interest expense for accounting purposes | - | 321,649 | | 321,649 | |
| 52 | Provision for payments in lieu of income taxes | - | $61,479 | | 61,479 | |
| 53 | **Net Income (loss)** | = | 1,025,144 | 0 | 1,025,144 | |
| 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 | + | 61,479 | 0 | 61,479 | |
| 60 | Federal large corporation tax | + | | | 0 | |
| 61 | Depreciation & Amortization | + | 469,480 | 0 | 469,480 | |
| 62 | Employee benefit plans-accrued, not paid | + | | 0 | 0 | |
| 63 | Tax reserves - beginning of year | + | 0 | 0 | 0 | |
| 64 | Reserves from financial statements- end of year | + | 0 | 0 | 0 | |
| 65 | Regulatory adjustments on which true-up may apply (see A66) | + | | | 0 | |
| 66 | ***Items on which true-up does not apply "TAXREC 3"*** | | 0 | 0 | 0 | |
| 67 | Material addition items from TAXREC 2 | + | 0 | 0 | 0 | |
| 68 | Other addition items (not Material) from TAXREC 2 | + | 0 | 0 | 0 | |
| 69 | | | | | | |
| 70 | *Subtotal* | | 530,959 | 0 | 530,959 | |
| 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 | = | 530,959 | 0 | 530,959 | |
| 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 | - | 573,779 | | 573,779 | |
| 98 | Cumulative eligible capital deduction | - | 22,499 | | 22,499 | |
| 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"*** | | 12,000 | 0 | 12,000 | |
| 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 | = | 608,278 | 0 | 608,278 | |
| 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 | = | 608,278 | 0 | 608,278 | |
| 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 | = | 947,825 | 0 | 947,825 | |
| 135 | DEDUCT: | | | | | |
| 136 | Non-capital loss applied positive number | - | | | 0 | |
| 137 | Net capital loss applied positive number | - | | | 0 | |
| 138 | | | | | 0 | |
| 139 | NET TAXABLE INCOME | = | 947,825 | 0 | 947,825 | |
| 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) | + | 202,576 | | 202,576 | |
| 143 | Net Ontario Income Tax (Must agree with tax return) | + | 118,478 | | 118,478 | |
| 144 | Subtotal | = | 321,054 | 0 | 321,054 | |
| 145 | Less: Miscellaneous tax credits (Must agree with tax returns) | - | | | 0 | |
| 146 | **Total Income Tax** | = | 321,054 | 0 | 321,054 | |
| 147 | | | | | | |
| 148 | **FROM ACTUAL TAX RETURNS** | | | | | |
| 149 | Net Federal Income Tax Rate (Must agree with tax return) | | 21.37% | | 21.37% | Divide federal |
| 150 | Net Ontario Income Tax Rate (Must agree with tax return) | | 12.50% | | 12.50% | Divide Ontario |
| 151 | Blended Income Tax Rate | | 33.87% | ********** | 33.87% | |
| 152 | | | | | | |
| 153 | **Section F: Income and Capital Taxes** | | | | | |
| 154 | | | | | | |
| 155 | **RECAP** | | | | | |
| 156 | Total Income Taxes | + | 321,054 | 0 | 321,054 | |
| 157 | Ontario Capital Tax | + | 0 | | 0 | |
| 158 | Federal Large Corporations Tax | + | 0 | | 0 | |
| 159 | | | | | | |
| 160 | **Total income and capital taxes** | = | 321,054 | 0 | 321,054 | |
| 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | **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 | | + | | | 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 | | + | | | 0 | |
| 45 | | + | | | 0 | |
| 46 | | + | | | | |
| 47 | **Total Additions on which true-up does not apply** | = | 0 | 0 | 0 | |
| 48 | | | | | | |
| 49 | **Deduct:** | | | | | |
| 50 | | | | | | |
| 51 | CCA adjustments | - | | | 0 | |
| 52 | CEC adjustments | - | | | 0 | |
| 53 | Depreciation and amortization adjustments | - | | | 0 | |
| 54 | Gain on disposal of assets per financial statements | - | 12,000 | | 12,000 | |
| 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 | | - | | | 0 | |
| 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 | |
| 72 | | - | | | 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. - Gravenhurst** | | | | **Version 2009.1** | |
| 73 | **Total Deductions on which true-up does not apply** | = | 12,000 | 0 | 12,000 | |
| 74 | | | | | | |

| | 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. - Gravenhurst** | | | | | | |
| 5 | **Reporting period: 2003** | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | **Table 1** | |
| 8 | **Rates Used in 2002 RAM PILs Applications for 2002** | | | | | | |
| 9 | **Income Range** | | **0** | | **200,001** | | |
| 10 | **RAM 2002** | | **to** | | **to** | **>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 2003 and Capital Tax Exemptions for 2003** | | | | | | |
| 27 | **Income Range** | | **0** | **250,001** | **400,001** | | |
| 28 | **Expected Rates** | | **to** | **to** | **to** | **>1128000** | |
| 29 | | **Year** | **250,000** | **400,000** | **1,128,000** | | |
| 30 | **Income Tax Rate** | | | | | | |
| 31 | ***Current year*** | ***2003*** | | | | | |
| 32 | ***Federal (Includes surtax)*** | | 13.12% | 22.12% | 22.12% | 24.12% | |
| 33 | ***Ontario*** | | 5.50% | 5.50% | 9.75% | 12.50% | |
| 34 | ***Blended rate*** | | 18.62% | 27.62% | 31.87% | 36.62% | |
| 35 | | | | | | | |
| 36 | **Capital Tax Rate** | | 0.300% | | | | |
| 37 | **LCT rate** | | 0.225% | | | | |
| 38 | **Surtax** | | 1.12% | | | | |
| 39 | **Ontario Capital Tax Exemption *** 2003** | **MAX $5MM** | 5,000,000 | | | | |
| 40 | **Federal Large Corporations Tax Exemption *** 2003** | **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 2003 Tax Returns** | | | | | | |
| 45 | **Income Range** | | **0** | **250,001** | **400,001** | | |
| 46 | | | **to** | **to** | **to** | **>1128000** | |
| 47 | | **Year** | **250,000** | **400,000** | **1,128,000** | | |
| 48 | **Income Tax Rate** | | | | | | |
| 49 | ***Current year*** | ***2003*** | | | | | |
| 50 | ***Federal (Includes surtax)*** | | 13.12% | 22.12% | 22.12% | 24.12% | |
| 51 | ***Ontario*** | | 5.50% | 5.50% | 9.75% | 12.50% | |
| 52 | ***Blended rate*** | | 18.62% | 27.62% | 31.87% | 36.62% | |
| 53 | | | | | | | |
| 54 | **Capital Tax Rate** | | 0.300% | | | | |
| 55 | **LCT rate** | | 0.225% | | | | |
| 56 | **Surtax** | | 1.12% | | | | |
| 57 | **Ontario Capital Tax Exemption *** | **MAX $5.0MM** | 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** | | | | | | |
| 60 | **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. - Gravenhurst** | | | | | | | | | | |
| 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 | | -23,633 | | -23,633 |
| 12 | **Board-approved PILs tax proxy from Decisions (1)** | +/- | | | | | | | | | |
| 14 | **True-up Variance Adjustment Q4, 2001 (2)** | +/- | | | | | | | | | |
| 16 | **True-up Variance Adjustment (3)** | +/- | | | | | -2,580 | | | | |
| 18 | **Deferral Account Variance Adjustment Q4, 2001 (4)** | +/- | | | | | | | | | |
| 20 | **Deferral Account Variance Adjustment (5)** | +/- | | | | | -21,052 | | | | |
| 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 | | -23,633 | | -23,633 | | -23,633 |

**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:**

(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 | | -23,633 | | 0 |
| 12 | | | | 0 |
| 14 | | | | 0 |
| 16 | | | | -2,580 |
| 18 | | | | 0 |
| 20 | | | | -21,052 |
| 22 | | | | 0 |
| 23 | | | | 0 |
| 25 | | | | 0 |
| 26 | | | | |
| 27 | | -23,633 | | -23,633 |

# Disposition of Balance Recorded in Account 1562 Deferred PIL

| | |
|---|---|
| **Distributor** | **Veridian Connections Inc. - Gravenhurst** |
| **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. - Gravenhurst** | | | 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) | | | 8,718,402 | |
| 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 | | | 746,731 | |
| 42 | | | | | |
| 43 | 1999 return from RUD Sheet #7 | | | 215,459 | 215,459 |
| 44 | | | | | |
| 45 | Total Incremental revenue | | | 531,272 | |
| 46 | **Input: Board-approved dollar amounts phased-in** | | | | |
| 47 | Amount allowed in 2001 | | | 177,091 | 177,091 |
| 48 | Amount allowed in 2002 | | | 177,091 | 177,091 |
| 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** | | | | 569,641 |
| 55 | | | | | |
| 56 | Equity | | | 4,359,201 | |
| 57 | | | | | |
| 58 | Return at target ROE | | | 430,689 | |
| 59 | | | | | |
| 60 | Debt | | | 4,359,201 | |
| 61 | | | | | |
| 62 | Deemed interest amount in 100% of MARR | | | 316,042 | |
| 63 | | | | | |
| 64 | Phase-in of interest - Year 1 (2001) | | | 166,141 | |
| 65 | ((D43+D47)/D41)*D61 | | | | |
| 66 | Phase-in of interest - Year 2 (2002) | | | 241,091 | |
| 67 | ((D43+D47+D48)/D41)*D61 | | | | |
| 68 | Phase-in of interest - Year 3 (2003) and forward | | | 241,091 | |
| 69 | ((D43+D47+D48)/D41)*D61 (due to Bill 210) | | | | |
| 70 | Phase-in of interest - 2005 | | | 316,042 | |
| 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. - Gravenhurst** | | | | | | | |
| 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 | 569,641 | | 354,987 | | 924,628 | |
| 17 | | | | | | | | |
| 18 | BOOK TO TAX ADJUSTMENTS | | | | | | | |
| 19 | ***Additions:*** | | | | | | | |
| 20 | Depreciation & Amortization | 2 | 604,539 | | -112,414 | | 492,125 | |
| 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 | MARR from Year 1 - Not allowed in 2001-Implemented Jan 1, 2002 | | 132,818 | | -132,818 | | | |
| 26 | Other Additions (See Tab entitled "TAXREC") | | | | | | | |
| 27 | "Material" Items from "TAXREC" worksheet | 6 | | | 0 | | 0 | |
| 28 | Other Additions (not "Material") "TAXREC" | 6 | | | 0 | | 0 | |
| 29 | "Material Items from "TAXREC 2" worksheet | 6 | | | 0 | | 0 | |
| 30 | Other Additions (not "Material") "TAXREC 2" | 6 | | | 0 | | 0 | |
| 31 | **Items on which true-up does not apply "TAXREC 3"** | | | | 0 | | 0 | |
| 32 | | | | | | | | |
| 33 | ***Deductions:*** ***Input positive numbers*** | | | | | | | |
| 34 | Capital Cost Allowance and CEC | 7 | 453,790 | | 123,555 | | 577,345 | |
| 35 | Employee Benefit Plans - Paid Amounts | 8 | | | 0 | | 0 | |
| 36 | Items Capitalized for Regulatory Purposes | 9 | | | 0 | | 0 | |
| 37 | Regulatory Adjustments - deduction for tax purposes in Item 5 | 10 | | | 0 | | 0 | |
| 38 | Interest Expense Deemed/ Incurred | 11 | 241,091 | | 92,616 | | 333,707 | |
| 39 | Tax reserves - end of year | 4 | | | 0 | | 0 | |
| 40 | Reserves from financial statements - beginning of year | 4 | | | 0 | | 0 | |
| 41 | Contributions to deferred income plans | 3 | | | 0 | | 0 | |
| 42 | Contributions to pension plans | 3 | | | 0 | | 0 | |
| 43 | Interest capitalized for accounting but deducted for tax | 11 | | | 0 | | 0 | |
| 44 | Other Deductions (See Tab entitled "TAXREC") | | | | | | | |
| 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"** | | | | 0 | | 0 | |
| 50 | | | | | | | | |
| 51 | TAXABLE INCOME/ (LOSS) | | 612,117 | | (106,416) | Before loss C/F | 505,701 | |
| 52 | | | | | | | | |
| 53 | BLENDED INCOME TAX RATE | | | | | | | |
| 54 | Tab Tax Rates - Regulatory from Table 1; Actual from Table 3 | 13 | 34.12% | | -8.1972% | | 25.92% | |
| 55 | | | | | | | | |
| 56 | REGULATORY INCOME TAX | | 208,854 | | -77,762 | Actual | 131,092 | |
| 57 | | | | | | | | |
| 58 | | | | | | | | |
| 59 | Miscellaneous Tax Credits | 14 | | | 0 | Actual | | |
| 60 | | | | | | | | |
| 61 | **Total Regulatory Income Tax** | | 208,854 | | -77,762 | Actual | 131,092 | |
| 62 | | | | | | | | |
| 63 | | | | | | | | |
| 64 | **II) CAPITAL TAXES** | | | | | | | |
| 65 | | | | | | | | |
| 66 | ***Ontario*** | | | | | | | |
| 67 | Base | 15 | 8,718,402 | | 948,939 | | 9,667,341 | |
| 68 | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 | 16 | 5,000,000 | | 0 | | 5,000,000 | |
| 69 | Taxable Capital | | 3,718,402 | | 948,939 | | 4,667,341 | |
| 70 | | | | | | | | |
| 71 | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 | 17 | 0.3000% | | 0.0000% | | 0.3000% | |
| 72 | | | | | | | | |
| 73 | Ontario Capital Tax | | 11,155 | | 2,847 | **Overpaid** | 14,002 | |
| 74 | | | | | | | | |
| 75 | ***Federal Large Corporations Tax*** | | | | | | | |
| 76 | Base | 18 | 8,718,402 | | 948,939 | | 9,667,341 | |
| 77 | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 | 19 | 10,000,000 | | 40,000,000 | | 50,000,000 | |
| 78 | Taxable Capital | | 0 | | 40,948,939 | | 0 | |
| 79 | | | | | | | | |
| 80 | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 | 20 | 0.2250% | | -0.0250% | | 0.2000% | |
| 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 | | 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. - Gravenhurst** | | | | | | | |
| 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 | | | | | | | | |
| 87 | **III) INCLUSION IN RATES** | | | | | | | |
| 88 | | | | | | | | |
| 89 | Income Tax Rate used for gross- up (exclude surtax) | | 34.12% | | | | | |
| 90 | | | | | | | | |
| 91 | Income Tax (proxy tax is grossed-up) | 22 | 317,022 | | | **Actual 2004** | 131,092 | |
| 92 | LCT (proxy tax is grossed-up) | 23 | 0 | | | **Actual 2004** | 0 | |
| 93 | Ontario Capital Tax (no gross-up since it is deductible) | 24 | 11,155 | | | **Actual 2004** | 14,764 | |
| 94 | | | | | | | | |
| 95 | | | | | | | | |
| 96 | ***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002*** | 25 | 328,177 | | | **Actual 2004** | 145,856 | |
| 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 | | | 17,665 | | | |
| 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 | | | 0 | | | |
| 119 | Other deductions "Material" Item TAXREC 2 | 12 | | | 0 | | | |
| 120 | | | | | | | | |
| 121 | Total TRUE-UPS before tax effect | 26 | | = | -17,665 | | | |
| 122 | | | | | | | | |
| 123 | Income Tax Rate (including surtax) from **2004** Utility's tax return | | | x | 31.87% | | | |
| 124 | | | | | | | | |
| 125 | Income Tax Effect on True-up adjustments | | | = | -5,630 | | | |
| 126 | | | | | | | | |
| 127 | Less: Miscellaneous Tax Credits | 14 | | | 0 | | | |
| 128 | | | | | | | | |
| 129 | Total Income Tax on True-ups | | | | -5,630 | | | |
| 130 | | | | | | | | |
| 131 | Income Tax Rate used for gross-up (exclude surtax) | | | | 30.75% | | | |
| 132 | | | | | | | | |
| 133 | **TRUE-UP VARIANCE ADJUSTMENT** | | | | (8,130) | | | |
| 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) | | | = | 612,117 | | | |
| 138 | | | | | | | | |
| 139 | REVISED CORPORATE INCOME TAX RATE (including surtax) | | | x | 31.87% | | | |
| 140 | | | | | | | | |
| 141 | REVISED REGULATORY INCOME TAX | | | = | 195,082 | | | |
| 142 | | | | | | | | |
| 143 | Less: Revised Miscellaneous Tax Credits | | | - | 0 | | | |
| 144 | | | | | | | | |
| 145 | Total Revised Regulatory Income Tax | | | = | 195,082 | | | |
| 146 | | | | | | | | |
| 147 | Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) | | | - | 208,854 | | | |
| 148 | | | | | | | | |
| 149 | Regulatory Income Tax Variance | | | = | (13,773) | | | |
| 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. - Gravenhurst** | | | | | | | |
| 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 | | | | | | | | |
| 151 | **Ontario Capital Tax** | | | | | | | |
| 152 | Base | | | = | 8,718,402 | | | |
| 153 | Less: Exemption from tab Tax Rates, Table 2, cell C39 | | | - | 5,000,000 | | | |
| 154 | Revised deemed taxable capital | | | = | 3,718,402 | | | |
| 155 | | | | | | | | |
| 156 | Rate - Tab Tax Rates cell C54 | | | x | 0.3000% | | | |
| 157 | | | | | | | | |
| 158 | Revised Ontario Capital Tax | | | = | 11,155 | | | |
| 159 | Less: Ontario Capital Tax reported in the initial estimate column (Cell C70) | | | - | 11,155 | | | |
| 160 | Regulatory Ontario Capital Tax Variance | | | = | 0 | | | |
| 161 | | | | | | | | |
| 162 | **Federal LCT** | | | | | | | |
| 163 | Base | | | | 8,718,402 | | | |
| 164 | Less: Exemption from tab Tax Rates, Table 2, cell C40 | | | - | 50,000,000 | | | |
| 165 | Revised Federal LCT | | | = | (41,281,598) | | | |
| 166 | | | | | | | | |
| 167 | Rate (as a result of legislative changes) tab 'Tax Rates' cell C51 | | | | 0.2000% | | | |
| 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) | | | | 30.75% | | | |
| 177 | | | | | | | | |
| 178 | **Income Tax (grossed-up)** | | | + | (19,888) | | | |
| 179 | **LCT (grossed-up)** | | | + | 0 | | | |
| 180 | **Ontario Capital Tax** | | | + | 0 | | | |
| 181 | | | | | | | | |
| 182 | **DEFERRAL ACCOUNT VARIANCE ADJUSTMENT** | | | = | (19,888) | | | |
| 183 | | | | | | | | |
| 184 | **TRUE-UP VARIANCE (from cell I130)** | | | + | (8,130) | | | |
| 185 | | | | | | | | |
| 186 | **Total Deferral Account Entry (Positive Entry = Debit)** | | | = | (28,018) | | | |
| 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) | | | | 316,042 | | | |
| 195 | Interest phased-in (Cell C36) | | | | 241,091 | | | |
| 196 | | | | | | | | |
| 197 | Variance due to phase-in of debt component of MARR in rates | | | | 74,951 | | | |
| 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) | | | | 333,707 | | | |
| 203 | Total deemed interest (REGINFO CELL D61) | | | | 316,042 | | | |
| 204 | | | | | | | | |
| 205 | Variance caused by excess debt | | | | 17,665 | | | |
| 206 | | | | | | | | |
| 207 | **Interest Adjustment for Tax Purposes (carry forward to Cell I110)** | | | | 17,665 | | | |
| 208 | | | | | | | | |
| 209 | **Total Interest Variance** | | | | 57,286 | | | |
| 210 | | | | | | | | |
| 211 | | | | | | | | |

| | 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. - Gravenhurst** | | | | | |
| 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 | + | | | 0 | |
| 32 | Distribution Revenue | + | 2,709,830 | | 2,709,830 | |
| 33 | Other Income | + | 142,955 | | 142,955 | |
| 34 | Miscellaneous income | + | | | 0 | |
| 35 | | + | | | 0 | |
| 36 | Revenue should be entered above this line | | | | | |
| 37 | | | | | | |
| 38 | **Costs and Expenses:** | | | | | |
| 39 | Cost of energy purchased | - | | | 0 | |
| 40 | Administration | - | 1,436,032 | | 1,436,032 | |
| 41 | Customer billing and collecting | - | | | 0 | |
| 42 | Operations and maintenance | - | | | 0 | |
| 43 | Amortization | - | 492,125 | | 492,125 | |
| 44 | Ontario Capital Tax | - | | | 0 | |
| 45 | | - | | | 0 | |
| 46 | | - | | | 0 | |
| 47 | | - | | | 0 | |
| 48 | | - | | | 0 | |
| 49 | | | | | | |
| 50 | **Net Income Before Interest & Income Taxes EBIT** | = | 924,628 | 0 | 924,628 | |
| 51 | Less: Interest expense for accounting purposes | - | 333,707 | | 333,707 | |
| 52 | Provision for payments in lieu of income taxes | - | 131,092 | | 131,092 | |
| 53 | **Net Income (loss)** | = | 459,829 | 0 | 459,829 | |
| 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 | + | 131,092 | 0 | 131,092 | |
| 60 | Federal large corporation tax | + | | | 0 | |
| 61 | Depreciation & Amortization | + | 492,125 | 0 | 492,125 | |
| 62 | Employee benefit plans-accrued, not paid | + | | 0 | 0 | |
| 63 | Tax reserves - beginning of year | + | 0 | 0 | 0 | |
| 64 | Reserves from financial statements- end of year | + | 0 | 0 | 0 | |
| 65 | Regulatory adjustments on which true-up may apply (see A66) | + | | | 0 | |
| 66 | ***Items on which true-up does not apply "TAXREC 3"*** | | 0 | 0 | 0 | |
| 67 | Material addition items from TAXREC 2 | + | 0 | 0 | 0 | |
| 68 | Other addition items (not Material) from TAXREC 2 | + | 0 | 0 | 0 | |
| 69 | | | | | | |
| 70 | *Subtotal* | | 623,217 | 0 | 623,217 | |
| 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 | = | 623,217 | 0 | 623,217 | |
| 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 | - | 556,421 | | 556,421 | |
| 98 | Cumulative eligible capital deduction | - | 20,924 | | 20,924 | |
| 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"*** | | 0 | 0 | 0 | |
| 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 | = | 577,345 | 0 | 577,345 | |
| 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 | = | 577,345 | 0 | 577,345 | |
| 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 | = | 505,701 | 0 | 505,701 | |
| 135 | DEDUCT: | | | | | |
| 136 | Non-capital loss applied positive number | - | | | 0 | |
| 137 | Net capital loss applied positive number | - | | | 0 | |
| 138 | | | | | 0 | |
| 139 | NET TAXABLE INCOME | = | 505,701 | 0 | 505,701 | |
| 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) | + | 89,361 | | 89,361 | |
| 143 | Net Ontario Income Tax (Must agree with tax return) | + | 41,731 | | 41,731 | |
| 144 | Subtotal | = | 131,092 | 0 | 131,092 | |
| 145 | Less: Miscellaneous tax credits (Must agree with tax returns) | - | | | 0 | |
| 146 | **Total Income Tax** | = | 131,092 | 0 | 131,092 | |
| 147 | | | | | | |
| 148 | **FROM ACTUAL TAX RETURNS** | | | | | |
| 149 | Net Federal Income Tax Rate (Must agree with tax return) | | 17.67% | | 17.67% | Divide federal |
| 150 | Net Ontario Income Tax Rate (Must agree with tax return) | | 8.25% | | 8.25% | Divide Ontario |
| 151 | Blended Income Tax Rate | | 25.92% | ********** | 25.92% | |
| 152 | | | | | | |
| 153 | **Section F: Income and Capital Taxes** | | | | | |
| 154 | | | | | | |
| 155 | **RECAP** | | | | | |
| 156 | Total Income Taxes | + | 131,092 | 0 | 131,092 | |
| 157 | Ontario Capital Tax | + | 14,764 | | 14,764 | |
| 158 | Federal Large Corporations Tax | + | 0 | | 0 | |
| 159 | | | | | | |
| 160 | **Total income and capital taxes** | = | 145,856 | 0 | 145,856 | |
| 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. - Gravenhurst** | | | | | |
| 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 | | | | | 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | **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 | | + | | | 0 | |
| 45 | | + | | | 0 | |
| 46 | | + | | | | |
| 47 | **Total Additions on which true-up does not apply** | = | 0 | 0 | 0 | |
| 48 | | | | | | |
| 49 | **Deduct:** | | | | | |
| 50 | | | | | | |
| 51 | CCA adjustments | - | | | 0 | |
| 52 | CEC adjustments | - | | | 0 | |
| 53 | Depreciation and amortization adjustments | - | | | 0 | |
| 54 | Gain on disposal of assets per financial statements | - | | | 0 | |
| 55 | Financing fee 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 | | - | | | 0 | |
| 60 | | - | | | 0 | |
| 61 | | - | | | 0 | |
| 62 | | - | | | 0 | |
| 63 | | - | | | 0 | |
| 64 | | - | | | 0 | |
| 65 | | - | | | 0 | |
| 66 | | - | | | 0 | |
| 67 | | - | | | 0 | |
| 68 | *Other deductions: (Please explain in detail the nature of the item)* | - | | | 0 | |
| 69 | | - | | | 0 | |
| 70 | | - | | | 0 | |
| 71 | | - | | | 0 | |
| 72 | | - | | | 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. - Gravenhurst** | | | | **Version 2009.1** | |
| 73 | **Total Deductions on which true-up does not apply** | = | 0 | 0 | 0 | |
| 74 | | | | | | |
| 75 | | | | | | |
| 76 | | | | | | |

PILs TAXES - EB-2008-381
Corporate Tax Rates
Version 2009.1
Exemptions, Deductions, or Thresholds
Utility Name: Veridian Connections Inc. - Gravenhurst
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. - Gravenhurs** | | | | | | | | | | | | | | **Version 2009.1** |
| 4 | **Reporting period: 2004** | | | | **Sign Convention: + for increase; - for decreas** | | | | | | | | | | **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 | | -28,018 | | -28,018 | | 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** | +/- | | | | | | | -8,130 | | | | | | -8,130 |
| 18 | **Deferral Account Variance Adjustment Q4, 2001 (4** | | | | | | | | | | | | | | 0 |
| 20 | **Deferral Account Variance Adjustment (5** | +/- | | | | | | | -19,888 | | | | | | -19,888 |
| 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 | | -28,018 | | -28,018 | | -28,018 | | -28,018 |

**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. - Gravenhurst** |
| **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. - Gravenhurst** | | | 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) | | | 8,718,402 | |
| 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 | | | 746,731 | |
| 42 | | | | | |
| 43 | 1999 return from RUD Sheet #7 | | | 215,459 | 21 |
| 44 | | | | | |
| 45 | Total Incremental revenue | | | 531,272 | |
| 46 | **Input: Board-approved dollar amounts phased-in** | | | | |
| 47 | Amount allowed in 2001 | | | 177,091 | 17 |
| 48 | Amount allowed in 2002 | | | 177,091 | 17 |
| 49 | Amount allowed in 2003 and 2004 (will be zero due to Bill 210 | | | 177,091 | 17 |
| 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 | | | | | 3 |
| 54 | **Total Regulatory Income** | | | | 77 |
| 55 | | | | | |
| 56 | Equity | | | 4,359,201 | |
| 57 | | | | | |
| 58 | Return at target ROE | | | 430,689 | |
| 59 | | | | | |
| 60 | Debt | | | 4,359,201 | |
| 61 | | | | | |
| 62 | Deemed interest amount in 100% of MARR | | | 316,042 | |
| 63 | | | | | |
| 64 | Phase-in of interest - Year 1 (2001) | | | 166,141 | |
| 65 | ((D43+D47)/D41)*D61 | | | | |
| 66 | Phase-in of interest - Year 2 (2002) | | | 241,091 | |
| 67 | ((D43+D47+D48)/D41)*D61 | | | | |
| 68 | Phase-in of interest - Year 3 (2003) and forward | | | 241,091 | |
| 69 | ((D43+D47+D48)/D41)*D61 (due to Bill 210) | | | | |
| 70 | Phase-in of interest - 2005 | | | 316,042 | |
| 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. - Gravenhurst** | | | | | | | |
| 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 | 778,694 | | 2,142 | | 780,836 | |
| 17 | | | | | | | | |
| 18 | BOOK TO TAX ADJUSTMENTS | | | | | | | |
| 19 | ***Additions:*** | | | | | | | |
| 20 | Depreciation & Amortization | 2 | 604,539 | | -56,358 | | 548,181 | |
| 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"** | | | | 4,029 | | 4,029 | |
| 31 | | | | | | | | |
| 32 | ***Deductions:*** ***Input positive numbers*** | | | | | | | |
| 33 | Capital Cost Allowance and CEC | 7 | 453,790 | | 11,586 | | 465,376 | |
| 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 | 316,042 | | -84,313 | | 231,729 | |
| 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 | | 38,000 | | -38,000 | | | |
| 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"** | | | | 0 | | 0 | |
| 50 | | | | | | | | |
| 51 | TAXABLE INCOME/ (LOSS) | | 575,401 | | 60,540 | | 635,941 | |
| 52 | | | | | | | | |
| 53 | BLENDED INCOME TAX RATE | | | | | | | |
| 54 | Tab Tax Rates - Regulatory from Table 1; Actual from Table 3 | 13 | 27.50% | | 3.9919% | | 31.49% | |
| 55 | | | | | | | | |
| 56 | REGULATORY INCOME TAX | | 158,235 | | 42,035 | Actual | 200,270 | |
| 57 | | | | | | | | |
| 58 | | | | | | | | |
| 59 | Miscellaneous Tax Credits | 14 | | | 0 | Actual | | |
| 60 | | | | | | | | |
| 61 | **Total Regulatory Income Tax** | | 158,235 | | 42,035 | Actual | 200,270 | |
| 62 | | | | | | | | |
| 63 | | | | | | | | |
| 64 | **II) CAPITAL TAXES** | | | | | | | |
| 65 | | | | | | | | |
| 66 | ***Ontario*** | | | | | | | |
| 67 | Base | 15 | 8,718,402 | | 1,594,838 | | 10,313,240 | |
| 68 | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 | 16 | 7,500,000 | | 0 | | 7,500,000 | |
| 69 | Taxable Capital | | 1,218,402 | | 1,594,838 | | 2,813,240 | |
| 70 | | | | | | | | |
| 71 | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 | 17 | 0.3000% | | 0.0000% | | 0.3000% | |
| 72 | | | | | | | | |
| 73 | Ontario Capital Tax | | 3,655 | | 4,785 | | 8,440 | |
| 74 | | | | | | | | |
| 75 | ***Federal Large Corporations Tax*** | | | | | | | |
| 76 | Base | 18 | 8,718,402 | | 1,594,838 | | 10,313,240 | |
| 77 | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3 | 19 | 50,000,000 | | 0 | | 50,000,000 | |
| 78 | Taxable Capital | | 0 | | 1,594,838 | | 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 | | 7,123 | | 7,123 | |
| 84 | | | | | | | | |
| 85 | Net LCT | | 0 | | -7,123 | | -7,123 | |
| 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. - Gravenhurst** | | | | | | | |
| 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) | | 27.50% | | | | | |
| 90 | | | | | | | | |
| 91 | Income Tax (proxy tax is grossed-up) | 22 | 218,256 | | | **Actual 2005** | 200,270 | |
| 92 | LCT (proxy tax is grossed-up) | 23 | 0 | | | **Actual 2005** | 0 | |
| 93 | Ontario Capital Tax (no gross-up since it is deductible) | 24 | 3,655 | | | **Actual 2005** | 7,862 | |
| 94 | | | | | | | | |
| 95 | | | | | | | | |
| 96 | ***Total PILs for Rate Adjustment -- MUST AGREE WITH 2005*** | 25 | 221,911 | | | **Actual 2005** | 208,132 | |
| 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 | | | 0 | | | |
| 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 | 36.12% | | | |
| 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) | | | | 35% | | | |
| 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) | | | = | 575,401 | | | |
| 138 | | | | | | | | |
| 139 | REVISED CORPORATE INCOME TAX RATE (including surtax) | | | x | 27.50% | | | |
| 140 | | | | | | | | |
| 141 | REVISED REGULATORY INCOME TAX | | | = | 158,235 | | | |
| 142 | | | | | | | | |
| 143 | Less: Revised Miscellaneous Tax Credits | | | - | 0 | | | |
| 144 | | | | | | | | |
| 145 | Total Revised Regulatory Income Tax | | | = | 158,235 | | | |
| 146 | | | | | | | | |
| 147 | Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58) | | | - | 158,235 | | | |
| 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. - Gravenhurst** | | | | | | | |
| 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 | | | = | 8,718,402 | | | |
| 153 | Less: Exemption from tab Tax Rates, Table 2, cell C39 | | | - | 7,500,000 | | | |
| 154 | Revised deemed taxable capital | | | = | 1,218,402 | | | |
| 155 | | | | | | | | |
| 156 | Rate - Tab Tax Rates cell C54 | | | x | 0.3000% | | | |
| 157 | | | | | | | | |
| 158 | Revised Ontario Capital Tax | | | = | 3,655 | | | |
| 159 | Less: Ontario Capital Tax reported in the initial estimate column (Cell C70) | | | - | 3,655 | | | |
| 160 | Regulatory Ontario Capital Tax Variance | | | = | 0 | | | |
| 161 | | | | | | | | |
| 162 | **Federal LCT** | | | | | | | |
| 163 | Base | | | | 8,718,402 | | | |
| 164 | Less: Exemption from tab Tax Rates, Table 2, cell C40 | | | - | 50,000,000 | | | |
| 165 | Revised Federal LCT | | | = | (41,281,598) | | | |
| 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) | | | | 316,042 | | | |
| 195 | Interest phased-in (Cell C36) | | | | 241,091 | | | |
| 196 | | | | | | | | |
| 197 | Variance due to phase-in of debt component of MARR in rates | | | | 74,951 | | | |
| 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) | | | | 231,729 | | | |
| 203 | Total deemed interest (REGINFO CELL D61) | | | | 316,042 | | | |
| 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** | | | | 74,951 | | | |
| 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. - Gravenhurst** | | | | | |
| 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 | + | | | 0 | |
| 32 | Distribution Revenue | + | | | 0 | |
| 33 | Other Income | + | | | 0 | |
| 34 | Miscellaneous income | + | | | 0 | |
| 35 | | + | | | 0 | |
| 36 | Revenue should be entered above this line | | | | | |
| 37 | | | | | | |
| 38 | **Costs and Expenses:** | | | | | |
| 39 | Cost of energy purchased | - | | | 0 | |
| 40 | Administration | - | | | 0 | |
| 41 | Customer billing and collecting | - | | | 0 | |
| 42 | Operations and maintenance | - | | | 0 | |
| 43 | Amortization | - | 548,181 | | 548,181 | |
| 44 | Ontario Capital Tax | - | | | 0 | |
| 45 | Reg Assets | - | | | 0 | |
| 46 | | - | | | 0 | |
| 47 | | - | | | 0 | |
| 48 | | - | | | 0 | |
| 49 | | | | | | |
| 50 | **Net Income Before Interest & Income Taxes EBIT** | = | 780,836 | 0 | 780,836 | |
| 51 | Less: Interest expense for accounting purposes | - | 231,729 | | 231,729 | |
| 52 | Provision for payments in lieu of income taxes | - | 179,824 | | 179,824 | |
| 53 | **Net Income (loss)** | = | 369,283 | 0 | 369,283 | |
| 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 | + | 179,824 | 0 | 179,824 | |
| 60 | Federal large corporation tax | + | | | 0 | |
| 61 | Depreciation & Amortization | + | 548,181 | 0 | 548,181 | |
| 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"*** | | 4,029 | 0 | 4,029 | |
| 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* | | 732,034 | 0 | 732,034 | |
| 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 | = | 732,034 | 0 | 732,034 | |
| 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 | - | 448,114 | | 448,114 | |
| 98 | Cumulative eligible capital deduction | - | 17,262 | | 17,262 | |
| 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"*** | | 0 | 0 | 0 | |
| 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 | = | 465,376 | 0 | 465,376 | |
| 114 | *Other deductions (Please explain the nature of the deductions)* | | | | | |
| 115 | **Charitable donations - tax basis** | - | | | 0 | |
| 116 | | - | | | 0 | |
| 117 | | - | | | 0 | |
| 118 | | | | | 0 | |
| 119 | | - | | | 0 | |
| 120 | *Total Other Deductions* | = | 0 | 0 | 0 | |
| 121 | | | | | | |
| 122 | Total Deductions | = | 465,376 | 0 | 465,376 | |
| 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 | = | 635,941 | 0 | 635,941 | |
| 135 | DEDUCT: | | | | | |
| 136 | Non-capital loss applied positive number | - | | | 0 | |
| 137 | Net capital loss applied positive number | - | | | 0 | |
| 138 | | | | | 0 | |
| 139 | NET TAXABLE INCOME | = | 635,941 | 0 | 635,941 | |
| 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) | + | 124,939 | | 124,939 | |
| 143 | Net Ontario Income Tax (Must agree with tax return) | + | 75,331 | | 75,331 | |
| 144 | Subtotal | = | 200,270 | 0 | 200,270 | |
| 145 | Less: Miscellaneous tax credits (Must agree with tax returns) | - | | | 0 | |
| 146 | **Total Income Tax** | = | 200,270 | 0 | 200,270 | |
| 147 | | | | | | |
| 148 | **FROM ACTUAL TAX RETURNS** | | | | | |
| 149 | Net Federal Income Tax Rate (Must agree with tax return) | | 19.65% | | 19.65% | Divide federal |
| 150 | Net Ontario Income Tax Rate (Must agree with tax return) | | 11.85% | | 11.85% | Divide Ontario |
| 151 | Blended Income Tax Rate | | 31.49% | ********** | 31.49% | |
| 152 | | | | | | |
| 153 | **Section F: Income and Capital Taxes** | | | | | |
| 154 | | | | | | |
| 155 | **RECAP** | | | | | |
| 156 | Total Income Taxes | + | 200,270 | 0 | 200,270 | |
| 157 | Ontario Capital Tax | + | 7,862 | | 7,862 | |
| 158 | Federal Large Corporations Tax | + | | | 0 | |
| 159 | | | | | | |
| 160 | **Total income and capital taxes** | = | 208,132 | 0 | 208,132 | |
| 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. - Gravenhurst** | | | | | |
| 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 | Holdbacks | | | | 0 | |
| 49 | Financial Reserves | | | | 0 | |
| 50 | Tax Reserves | | | | 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 | Holdbacks | | | | 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. - Gravenhurst** | | | | | |
| 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 | Ontario Specified Tax Credit | + | | | 0 | |
| 38 | | + | | | 0 | |
| 39 | Contributions Capitalized | + | | | 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. - Gravenhurst** | | | | | |
| 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. - Gravenhurst** | | | | **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 | + | 4,029 | | 4,029 | |
| 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 | | + | | | 0 | |
| 45 | | + | | | 0 | |
| 46 | | + | | | | |
| 47 | **Total Additions on which true-up does not apply** | = | 4,029 | 0 | 4,029 | |
| 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 | | - | | | 0 | |
| 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** | = | 0 | 0 | 0 | |
| 74 | | | | | | |
| 75 | | | | | | |

PILs TAXES - EB-2008-381

Corporate Tax Rates — Version 2009.1

Exemptions, Deductions, or Thresholds

Utility Name: Veridian Connections Inc. - Gravenhurst

Reporting period: 2005

Table 1

Rates Used in 2005 RAM PILs Applications for 2005

| Income Range / RAM 2002 | | 0 to 400,000 | | 400,001 to 1,128,000 | >1128000 |
|---|---|---|---|---|---|
| | Year | | | | |
| 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 | 7,500,000 | | | |
| Federal Large Corporations Tax Exemption ** | MAX $50MM | 50,000,000 | | | |

**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 | | 0 to 250,000 | 250,001 to 400,000 | 400,001 to 1,128,000 | >1,128,000 |
|---|---|---|---|---|---|
| | Year | | | | |
| 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 | | 0 to 250,000 | 250,001 to 400,000 | 400,001 to 1,128,000 | >1,128,000 |
|---|---|---|---|---|---|
| | Year | | | | |
| 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 | 7,500,000 | | | |
| 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. - Gravenhurst** | | | | | | | | | | | | | | **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 3

---

# Tab 2 of 2

# Historical Data

# Historical Data

| | |
|---|---|
| File Number: | EB-2012-0061 |
| Exhibit: | 3 |
| Tab: | 2 |
| Schedule: | 1 |
| Date Filed: | May 01, 2012 |

# 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 | Gravenhurst Hydro Electric Inc. | | | **Amount** |
| 5 | Reporting period - Q4 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 | Yes |
| 11 | | | | |
| 12 | Was the utility recently acquired by Hydro One | | | |
| 13 | and now subject to s.89 & 90 PILs? | | Y/N | No |
| 14 | | | | |
| 15 | Accounting Year End | | Date | 12/31/1999 |
| 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) | | | 8,718,402 |
| 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 | | | 746,731 |
| 33 | | | | |
| 34 | 1999 return from RUD Sheet #7 | | | 215,459 |
| 35 | | | | |
| 36 | Total Incremental revenue | | | 531,272 |
| 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 | | | 177,091 |
| 40 | Amount allowed in 2002, Year 2 | | | 177,091 |
| 41 | Amount allowed in 2003, Year 3 | | | 177,091 |
| 42 | | | | |
| 43 | Equity | | | 4,359,201 |
| 44 | | | | |
| 45 | Return at target ROE | | | 430,689 |
| 46 | | | | |
| 47 | Debt | | | 4,359,201 |
| 48 | | | | |
| 49 | Deemed interest amount in EBIT | | | 316,042 |
| 50 | | | | |
| 51 | Phase-in of interest - Year 1 | | | 166,141 |
| 52 | ((D34+D39)/D32)*D49 | | | |
| 53 | Phase-in of interest - Year 2 | | | 241,092 |
| 54 | ((D34+D39+D40)/D32)*D49 | | | |
| 55 | Phase-in of interest - Year 3 (D49) | | | 316,042 |
| 56 | | | | |

| | A | B | C | D | E | F | G | H | I | J | K |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | **LINE** | **Initial** | Source | Deferral | Deferral | **Deferral** | Source | M of F | M of F | **M of F** |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | | **Estimate** | | Account | Account | **Account** | | Filing | Filing | **Filing** |
| 3 | **TAX CALCULATIONS (TAXCALC)** | | | Foot- | Variance | Variance | **Allowance** | Foot- | Variance | Variance | |
| 4 | ("Wires-only" business - see Tab TAXREC) | | | note | G-C | Explanation | | note | K-G | Explanation | (June) |
| 5 | | | $ | # | $ | | $ | # | $ | | $ |
| 6 | | | | | | | | | | | |
| 7 | Gravenhurst Hydro Electric Inc. | | | | | | | | | | Column |
| 8 | Reporting period - Q4 2001 | | | | | | | | | | Brought |
| 9 | | | | | | | | | | | Forward |
| 10 | | | | | | | | | | | From |
| 11 | | | | | | | | | | | TAXREC |
| 12 | **I) CORPORATE INCOME TAXES** | | | | | | | | | | |
| 13 | | | | | | | | | | | |
| 14 | ACCOUNTING INCOME | | | | | | | | | | |
| 15 | Regulatory Net Income | 1 | | 1A | 53,865 | excludes 1st incr.----> | 53,865 | 1B | -53,865 | | 0 |
| 16 | | | | | | MARR since imple- | | | | CCA is NOT depr. & | |
| 17 | BOOK TO TAX ADJUSTMENTS | | | | | mented on Jan 1/02. | | | | depr.schedule is | |
| 18 | | | | | | [same as Haldimand] | | | | requested per IR: | |
| 19 | *Additions: To Accounting Income* | | | | | this is OK !! | | | | Normalized | |
| 20 | Depr. & Amort. [revised after IR resp.; was $139,853] | 2 | | 2A | 144,844 | 1/4 of normalized dep | 144,844 | 2B | -144,844 | CCA Schedual 8 | 0 |
| 21 | Federal Large Corporation Tax | 3 | | 3A | 0 | 1st incr. MARR is | | 3B | 0 | Tax Rules | 0 |
| 22 | Employee Benefit Plans - Accrued, Not Paid | 4 | | 4A | 0 | recovered as Z-factor | | 4B | 0 | Tax Rules | 0 |
| 23 | Change in Tax Reserves | 5 | | 5A | 0 | adj [rate rider] in 2002 | | 5B | 0 | Tax Rules | 0 |
| 24 | Regulatory Adjustments | 6 | | 6A | 0 | & shown as line 6. | 0 | 6B | 0 | Nov 9th Letter | 0 |
| 25 | Other Additions (See Tab entitled "TAXREC") | | | | | | | | | | |
| 26 | "Material" Item #1 | 7 | | 7A | 0 | | 0 | 7B | 0 | Auditor | 0 |
| 27 | "Material" Item #2 | 7 | | 7A | 0 | | 0 | 7B | 0 | Auditor | 0 |
| 28 | Other Additions (not "Material") | 7 | | 7A | 0 | | 0 | 7B | 0 | Auditor | 0 |
| 29 | *Deductions: From Accounting Income* | | | | | | | | | | |
| 30 | Capital Cost Allowance | 8 | | 8A | -57,738 | LDC's CCA schedule> | -57,738 | 8B | 57,738 | CCA Schedual 8 number/4 | 0 |
| 31 | Employee Benefit Plans - Paid Amounts | 9 | | 9A | 0 | shows NBV which | | 9B | 0 | [NO; but still OK] | 0 |
| 32 | Items Capitalized for Regulatory Purposes | 10 | | 10A | 0 | agrees with RUD files | | 10B | 0 | Auditor ??? | 0 |
| 33 | Regulatory Adjustments | 11 | | 11A | 0 | | | 11B | 0 | Auditor ??? | 0 |
| 34 | Interest Expense Deemed/ Incurred | 12 | | 12A | -22,797 | same as Haldimand-> | -22,797 | 12B | 22,797 | | 0 |
| 35 | Other Deductions (See Tab entitled "TAXREC") | | | | | formula and OK !! | | | | | |
| 36 | "Material" Item #1 | 13 | | 13A | 0 | | | 13B | 0 | Auditor | 0 |
| 37 | "Material" Item #2 | 13 | | 13A | 0 | | | 13B | 0 | Auditor | 0 |
| 38 | Other Deductions (not "Material") | 13 | | 13A | 0 | | | 13B | 0 | Auditor | 0 |
| 39 | | | | | | | | | | | |
| 40 | REGULATORY TAXABLE INCOME | | 0 | | 118,173 | | 118,173 | | -118,173 | | 0 |
| 41 | (sum of above) | | | | | | | | | | |
| 42 | | | | | | | | | | | |
| 43 | CORPORATE INCOME TAX RATE | | | | | | | | | | |
| 44 | Deemed % | 14 | 34.1200% | 14A | 0.0000% | OK----------> | 34.12% | 14B | 0.0000% | | 34.1200% |
| 45 | | | | | | | | | | | |
| 46 | REGULATORY INCOME TAX | | | | | | | | | | |
| 47 | Taxable Income x Rate | | 0 | | 40,321 | | 40,321 | | -40,321 | | 0 |
| 48 | | | | | | | | | | | |
| 49 | Miscellaneous Tax Credits | 15 | | 15A | 0 | | | 15B | 0 | Auditor | |
| 50 | | | | | | | | | | | |
| 51 | **Total Regulatory Income Tax** | | 0 | | 40,321 | | 40,321 | | -40,321 | | 0 |
| 52 | | | | | | | | | | | |
| 53 | | | | | | | | | | | |
| 54 | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | **LINE** | **Initial** | Source | Deferral | Deferral | **Deferral** | Source | M of F | M of F | **M of F** |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | | **Estimate** | | Account | Account | **Account** | | Filing | Filing | **Filing** |
| 3 | **TAX CALCULATIONS (TAXCALC)** | | | Foot- | Variance | Variance | **Allowance** | Foot- | Variance | Variance | |
| 4 | ("Wires-only" business - see Tab TAXREC) | | | note | G-C | Explanation | | note | K-G | Explanation | (June) |
| 5 | | | $ | # | $ | | $ | # | $ | | $ |
| 55 | | | | | | | | | | | |
| 56 | **II) CAPITAL TAXES** | | | | | | | | | | |
| 57 | | | | | | | | | | | |
| 58 | *Ontario* | | | | | | | | | | |
| 59 | Base | 16 | | 16A | 8,718,402 | | 8,718,402 | 16B | -8,718,402 | Auditor (+) | 0 |
| 60 | Less: Exemption | 17 | | 17A | -5,000,000 | | -5,000,000 | 17B | 5,000,000 | Auditor (-) | 0 |
| 61 | Deemed Taxable Capital | | 0 | | 3,718,402 | | 3,718,402 | | -3,718,402 | | 0 |
| 62 | | | | | | | | | | | |
| 63 | Rate (.3%) | 18 | 0.3000% | 18A | 0.0000% | | 0.3000% | 18B | 0.0000% | | 0.3000% |
| 64 | | | | | | | | | | | |
| 65 | Net Amount (Taxable Capital x Rate) | | 0 | | 2,789 | OK-------> | 2,789 | | -2,789 | | 0 |
| 66 | | | | | | | | | | | |
| 67 | *Federal (LCT)* | | | | | | | | | | |
| 68 | Base | 19 | | 19A | 8,718,402 | | 8,718,402 | 19B | -8,718,402 | Auditor (+) | 0 |
| 69 | Less: Exemption | 20 | | 20A | -8,718,402 | per LDC: -10,000,000--> | -8,718,402 | 20B | 8,718,402 | Auditor (-) | 0 |
| 70 | Deemed Taxable Capital | | 0 | | 0 | | 0 | | 0 | | 0 |
| 71 | | | | | | | | | | | |
| 72 | Rate (.225%) | 21 | 0.2250% | 21A | 0.0000% | | 0.2250% | 21B | 0.0000% | | 0.2250% |
| 73 | | | | | | | | | | | |
| 74 | Gross Amount (Taxable Capital x Rate) | | 0 | | 0 | per LDC = 0 anyway---> | 0 | | 0 | | 0 |
| 75 | Less: Federal Surtax | 22 | 0 | 22A | -1,324 | | -1,324 | 22B | 1,324 | | 0 |
| 76 | | | | | | | | | | | |
| 77 | Net LCT | | 0 | | -1,324 | per LDC = 0 anyway---> | 0 | | 1,324 | | 0 |
| 78 | | | | | | | | | | | |
| 79 | | | | | | | | | | | |
| 80 | **III) INCLUSION IN RATES MARCH 2002** | | | | | | | | | | |
| 81 | | | | | | | | | | | |
| 82 | IncomeTax (grossed-up) | 23 | 0 | 23A | 61,203 | | 61,203 | 23B | -61,203 | May Have to Change Formula | |
| 83 | LCT (grossed-up) | 24 | 0 | 24A | 0 | | 0 | 24B | 0 | [NO: although the LDC used | |
| 84 | Ontario Capital Tax | 25 | 0 | 25A | 2,789 | | 2,789 | 25B | -2,789 | short formula, the result was | |
| 85 | | | | | | | | | | correct since {G74} = 0] | |
| 86 | | | | | | | | | | | |
| 87 | ***Total S. 93 PILs Rate Adjustment*** | | 0 | | 63,992 | | 63,992 | | -63,992 | | |
| 88 | | | | | | | [revised after | | | | |
| 89 | | | | | | | response to IR; | | | | |
| 90 | | | | | | | was $61,407 | | | | |

| | A | B | C | D | E | F | G | H | I | J | K |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | **LINE** | **Initial** | Source | Deferral | Deferral | **Deferral** | Source | M of F | M of F | **M of F** |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | | **Estimate** | | Account | Account | **Account** | | Filing | Filing | **Filing** |
| 3 | **TAX CALCULATIONS (TAXCALC)** | | | Foot- | Variance | Variance | **Allowance** | Foot- | Variance | Variance | |
| 4 | ("Wires-only" business - see Tab TAXREC) | | | note | G-C | Explanation | | note | K-G | Explanation | (June) |
| 5 | | | $ | # | $ | | $ | # | $ | | $ |
| 91 | | | | | | | before the IR | | | | |
| 92 | ***IV) FUTURE TRUE-UPS (post June 2002)*** | | | | | | response] | | **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) | | | | | | | | -316,042 | | |
| 122 | Interest phased-in - (Deferral Account Cell G34) | | | | | | | | 22,797 | | |
| 123 | | | | | | | | | | | |
| 124 | Variance due to phase-in of debt stucture | | | | | | | | -293,245 | | |
| 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) | | | | | | | | 316,042 | | |
| 132 | | | | | | | | | | | |
| 133 | Variance caused by excess debt | | | | | | | | 316,042 | | |
| 134 | | | | | | | | | | | |
| 135 | **Interest Adjustment for Tax Purposes Cell I108** | | | | | | | | 0 | True-up Amount- Used above | |
| 136 | | | | | | | | | | | |
| 137 | **Total Interest Variance (Cell I34)** | | | | | | | | 22,797 | | |
| 138 | | | | | | | | | | | |

| | A | L |
|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | Source |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | |
| 3 | **TAX CALCULATIONS (TAXCALC)** | Foot- |
| 4 | ("Wires-only" business - see Tab TAXREC) | note |
| 5 | | # |
| 6 | | |
| 7 | Gravenhurst Hydro Electric Inc. | |
| 8 | Reporting period - Q4 2001 | |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | **I) CORPORATE INCOME TAXES** | |
| 13 | | |
| 14 | ACCOUNTING INCOME | |
| 15 | Regulatory Net Income | 1C |
| 16 | | |
| 17 | BOOK TO TAX ADJUSTMENTS | |
| 18 | | |
| 19 | *Additions: To Accounting Income* | |
| 20 | Depr. & Amort. [revised after IR resp.; was $139,853] | 2C |
| 21 | Federal Large Corporation Tax | 3C |
| 22 | Employee Benefit Plans - Accrued, Not Paid | 4C |
| 23 | Change in Tax Reserves | 5C |
| 24 | Regulatory Adjustments | 6C |
| 25 | Other Additions (See Tab entitled "TAXREC") | |
| 26 | "Material" Item #1 | 7C |
| 27 | "Material" Item #2 | 7C |
| 28 | Other Additions (not "Material") | 7C |
| 29 | *Deductions: From Accounting Income* | |
| 30 | Capital Cost Allowance | 8C |
| 31 | Employee Benefit Plans - Paid Amounts | 9C |
| 32 | Items Capitalized for Regulatory Purposes | 10C |
| 33 | Regulatory Adjustments | 11C |
| 34 | Interest Expense Deemed/ Incurred | 12C |
| 35 | Other Deductions (See Tab entitled "TAXREC") | |
| 36 | "Material" Item #1 | 13C |
| 37 | "Material" Item #2 | 13C |
| 38 | Other Deductions (not "Material") | 13C |
| 39 | | |
| 40 | REGULATORY TAXABLE INCOME | |
| 41 | (sum of above) | |
| 42 | | |
| 43 | CORPORATE INCOME TAX RATE | |
| 44 | Deemed % | 14C |
| 45 | | |
| 46 | REGULATORY INCOME TAX | |
| 47 | Taxable Income x Rate | |
| 48 | | |
| 49 | Miscellaneous Tax Credits | 15C |
| 50 | | |
| 51 | **Total Regulatory Income Tax** | |
| 52 | | |
| 53 | | |
| 54 | | |

| | A | L |
|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | Source |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | |
| 3 | **TAX CALCULATIONS (TAXCALC)** | Foot- |
| 4 | ("Wires-only" business - see Tab TAXREC) | note |
| 5 | | # |
| 55 | | |
| 56 | **II) CAPITAL TAXES** | |
| 57 | | |
| 58 | *Ontario* | |
| 59 | Base | 16C |
| 60 | Less: Exemption | 17C |
| 61 | Deemed Taxable Capital | |
| 62 | | |
| 63 | Rate (.3%) | 18C |
| 64 | | |
| 65 | Net Amount (Taxable Capital x Rate) | |
| 66 | | |
| 67 | *Federal (LCT)* | |
| 68 | Base | 19C |
| 69 | Less: Exemption | 20C |
| 70 | Deemed Taxable Capital | |
| 71 | | |
| 72 | Rate (.225%) | 21C |
| 73 | | |
| 74 | Gross Amount (Taxable Capital x Rate) | |
| 75 | Less: Federal Surtax | 22C |
| 76 | | |
| 77 | Net LCT | |
| 78 | | |
| 79 | | |
| 80 | **III) INCLUSION IN RATES MARCH 2002** | |
| 81 | | |
| 82 | IncomeTax (grossed-up) | n/a |
| 83 | LCT (grossed-up) | n/a |
| 84 | Ontario Capital Tax | n/a |
| 85 | | |
| 86 | | |
| 87 | ***Total S. 93 PILs Rate Adjustment*** | |
| 88 | | |
| 89 | | |
| 90 | | |

| | A | L |
|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | Source |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | |
| 3 | **TAX CALCULATIONS (TAXCALC)** | Foot- |
| 4 | ("Wires-only" business - see Tab TAXREC) | note |
| 5 | | # |
| 91 | | |
| 92 | ***IV) FUTURE TRUE-UPS (post June 2002)*** | |
| 93 | Amount in M of F Filing Variance (Column I) that | |
| 94 | the Board orders added/subtracted from rates | |
| 95 | EBIT | |
| 96 | Depreciation &Amortization | |
| 97 | Federal Large Corporation Tax | |
| 98 | Employee Benefit Plans - Accrued, Not Paid | |
| 99 | Change in Tax Reserves | |
| 100 | Regulatory Adjustments | |
| 101 | Other additions "Material" Item #1 | |
| 102 | Other additions "Material" Item #2 | |
| 103 | Other additions (not "Material") | |
| 104 | Capital Cost Allowance | |
| 105 | Employee Benefit Plans - Paid Amounts | |
| 106 | Items Capitalized for Regulatory Purposes | |
| 107 | Regulatory Adjustments | |
| 108 | Interest Adjustment for Tax Purposes (Cell I135) | |
| 109 | Other deductions "Material" Item #1 | |
| 110 | Other deductions "Material" Item #2 | |
| 111 | Other deductions (not "Material") | |
| 112 | Miscellaneous Tax Credits | |
| 113 | | |
| 114 | **Deferral Account Entry (Positive Entry=Debit)** | |
| 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) | |
| 122 | Interest phased-in - (Deferral Account Cell G34) | |
| 123 | | |
| 124 | Variance due to phase-in of debt stucture | |
| 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) | |
| 131 | Total deemed interest (REGINFO CELL D49) | |
| 132 | | |
| 133 | Variance caused by excess debt | |
| 134 | | |
| 135 | **Interest Adjustment for Tax Purposes Cell I108** | |
| 136 | | |
| 137 | **Total Interest Variance (Cell I34)** | |
| 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 | Gravenhurst Hydro Electric Inc. | | | | | |
| 8 | Reporting period - Q4 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 |

| | 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 | | | | | | |
| 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 |

| | 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 | | | | | | |
| 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 | |

| | 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 | | | | | | |
| 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 | | | | | | |

| | A | B | C | D |
|---|---|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | | | |
| 2 | **REGULATORY INFORMATION (REGINFO)** | | | |
| 3 | | | | |
| 4 | Gravenhurst Hydro Electric Inc. | | | **Amount** |
| 5 | Reporting period - Year 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 | Yes |
| 11 | | | | |
| 12 | Was the utility recently acquired by Hydro One | | | |
| 13 | and now subject to s.89 & 90 PILs? | | Y/N | No |
| 14 | | | | |
| 15 | Accounting Year End | | Date | 12/31/1999 |
| 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) | | | 8,718,402 |
| 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 | | | 746,731 |
| 33 | | | | |
| 34 | 1999 return from RUD Sheet #7 | | | 215,459 |
| 35 | | | | |
| 36 | Total Incremental revenue | | | 531,272 |
| 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 | | | 177,091 |
| 40 | Amount allowed in 2002, Year 2 | | | 177,091 |
| 41 | Amount allowed in 2003, Year 3 | | | 177,091 |
| 42 | | | | |
| 43 | Equity | | | 4,359,201 |
| 44 | | | | |
| 45 | Return at target ROE | | | 430,689 |
| 46 | | | | |
| 47 | Debt | | | 4,359,201 |
| 48 | | | | |
| 49 | Deemed interest amount in EBIT | | | 316,042 |
| 50 | | | | |
| 51 | Phase-in of interest - Year 1 | | | 166,141 |
| 52 | ((D34+D39)/D32)*D49 | | | |
| 53 | Phase-in of interest - Year 2 | | | 241,092 |
| 54 | ((D34+D39+D40)/D32)*D49 | | | |
| 55 | Phase-in of interest - Year 3 (D49) | | | 316,042 |
| 56 | | | | |

| | A | B | C | D | E | F | G | H | I | J | K |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | **LINE** | **Initial** | Source | Deferral | Deferral | **Deferral** | Source | M of F | M of F | **M of F** |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | | **Estimate** | | Account | Account | **Account** | | Filing | Filing | **Filing** |
| 3 | **TAX CALCULATIONS (TAXCALC)** | | | Foot- | Variance | Variance | **Allowance** | Foot- | Variance | Variance | |
| 4 | ("Wires-only" business - see Tab TAXREC) | | | note | G-C | Explanation | | note | K-G | Explanation | (June) |
| 5 | | | $ | # | $ | | $ | # | $ | | $ |
| 6 | | | | | | | | | | | |
| 7 | Gravenhurst Hydro Electric Inc. | | | | | | | | | | Column |
| 8 | Reporting period - Year 2002 | | | | | | | | | | Brought |
| 9 | | | | | | | | | | | Forward |
| 10 | | | | | | | | | | | From |
| 11 | | | | | | | | | | | TAXREC |
| 12 | **I) CORPORATE INCOME TAXES** | | | | | | | | | | |
| 13 | | | | | | | | | | | |
| 14 | ACCOUNTING INCOME | | | | | | | | | | |
| 15 | Regulatory Net Income | 1 | 569,641 | 1A | -569,641 | Normalized | | 1B | 0 | | 0 |
| 16 | | | | | | OK; agrees with RUD | | | | | |
| 17 | BOOK TO TAX ADJUSTMENTS | | | | | A Depr. Schedule with | | | | | |
| 18 | | | | | | NBV = $7,689,982 was | | | | | |
| 19 | *Additions: To Accounting Income* | | | | | requested per B.S.IR. | | | | | |
| 20 | Depr. & Amort. [revised after IR resp.; was $559,411] | 2 | 604,539 | 2A | -604,539 | Normalized | | 2B | 0 | | 0 |
| 21 | Federal Large Corporation Tax | 3 | | 3A | 0 | Tax Quesstion | | 3B | 0 | | 0 |
| 22 | Employee Benefit Plans - Accrued, Not Paid | 4 | | 4A | 0 | Auditor | | 4B | 0 | | 0 |
| 23 | Change in Tax Reserves | 5 | | 5A | 0 | Auditor | | 5B | 0 | | 0 |
| 24 | Regulatory Adjustments [subject to Board approval] | 6 | 132,818 | 6A | -132,818 | Auditor - Rate rider | | 6B | 0 | | 0 |
| 25 | Other Additions (See Tab entitled "TAXREC") | | | | | OK; see Haldimand | | | | | |
| 26 | "Material" Item #1 | 7 | | 7A | 0 | Auditor | | 7B | 0 | | 0 |
| 27 | "Material" Item #2 | 7 | | 7A | 0 | Auditor | | 7B | 0 | | 0 |
| 28 | Other Additions (not "Material") | 7 | | 7A | 0 | Auditor | | 7B | 0 | | 0 |
| 29 | *Deductions: From Accounting Income* | | OK: | | | | | | | | |
| 30 | Capital Cost Allowance [OK; CCA Sch. NBV = RUD] | 8 | -453,790 | 8A | 453,790 | Tax Quesstion normalized (-) | | 8B | 0 | | 0 |
| 31 | Employee Benefit Plans - Paid Amounts | 9 | | 9A | 0 | Auditor (-number) | | 9B | 0 | | 0 |
| 32 | Items Capitalized for Regulatory Purposes | 10 | | 10A | 0 | Auditor (-number) | | 10B | 0 | | 0 |
| 33 | Regulatory Adjustments | 11 | | 11A | 0 | Auditor (-number) Roger | | 11B | 0 | | 0 |
| 34 | Interest Expense Deemed/ Incurred | 12 | -241,092 | 12A | 241,092 | | | 12B | 0 | | 0 |
| 35 | Other Deductions (See Tab entitled "TAXREC") | | | | | | | | | | |
| 36 | "Material" Item #1 | 13 | | 13A | 0 | Auditor | | 13B | 0 | | 0 |
| 37 | "Material" Item #2 | 13 | | 13A | 0 | Auditor | | 13B | 0 | | 0 |
| 38 | Other Deductions (not "Material") | 13 | | 13A | 0 | Auditor | | 13B | 0 | | 0 |
| 39 | | | | | | | | | | | |
| 40 | REGULATORY TAXABLE INCOME | | 612,117 | | -612,117 | | 0 | | 0 | | 0 |
| 41 | (sum of above) | | | | | | | | | | |
| 42 | | | | | | | | | | | |
| 43 | CORPORATE INCOME TAX RATE | | | | | | | | | | |
| 44 | Deemed % | 14 | 34.1200% | 14A | 0.0000% | <----------OK | 34.1200% | 14B | 0.0000% | | 34.1200% |
| 45 | | | | | | | | | | | |
| 46 | REGULATORY INCOME TAX | | | | | | | | | | |
| 47 | Taxable Income x Rate | | 208,854 | | -208,854 | | 0 | | 0 | | 0 |
| 48 | | | | | | | | | | | |
| 49 | Miscellaneous Tax Credits | 15 | | 15A | 0 | Auditor | | 15B | 0 | | |
| 50 | | | | | | | | | | | |
| 51 | **Total Regulatory Income Tax** | | 208,854 | | -208,854 | | 0 | | 0 | | 0 |
| 52 | | | | | | | | | | | |
| 53 | | | | | | | | | | | |
| 54 | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | **LINE** | **Initial** | Source | Deferral | Deferral | **Deferral** | Source | M of F | M of F | **M of F** |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | | **Estimate** | | Account | Account | **Account** | | Filing | Filing | **Filing** |
| 3 | **TAX CALCULATIONS (TAXCALC)** | | | Foot- | Variance | Variance | **Allowance** | Foot- | Variance | Variance | |
| 4 | ("Wires-only" business - see Tab TAXREC) | | | note | G-C | Explanation | | note | K-G | Explanation | (June) |
| 5 | | | $ | # | $ | | $ | # | $ | | $ |
| 55 | | | | | | | | | | | |
| 56 | **II) CAPITAL TAXES** | | | | | | | | | | |
| 57 | | | | | | | | | | | |
| 58 | *Ontario* | | | | | | | | | | |
| 59 | Base | 16 | 8,718,402 | 16A | -8,718,402 | Auditor (+) | | 16B | 0 | | 0 |
| 60 | Less: Exemption | 17 | -5,000,000 | 17A | 5,000,000 | Auditor (-) | | 17B | 0 | | 0 |
| 61 | Deemed Taxable Capital | | 3,718,402 | | -3,718,402 | | 0 | | 0 | | 0 |
| 62 | | | | | | | | | | | |
| 63 | Rate (.3%) | 18 | 0.3000% | 18A | 0.0000% | | 0.3000% | 18B | 0.0000% | | 0.3000% |
| 64 | | | | | | | | | | | |
| 65 | Net Amount (Taxable Capital x Rate) | | 11,155 | | -11,155 | | 0 | | 0 | | 0 |
| 66 | | | | | | | | | | | |
| 67 | *Federal (LCT)* | | | | | | | | | | |
| 68 | Base | 19 | 8,718,402 | 19A | -8,718,402 | Auditor (+) | | 19B | 0 | | 0 |
| 69 | Less: Exemption [LDC: -10,000,000, but put 0 in {C77} | 20 | -8,718,402 | 20A | 8,718,402 | Auditor (-) | | 20B | 0 | | 0 |
| 70 | Deemed Taxable Capital | | 0 | | 0 | | 0 | | 0 | | 0 |
| 71 | | | | | | | | | | | |
| 72 | Rate (.225%) | 21 | 0.2250% | 21A | 0.0000% | | 0.2250% | 21B | 0.0000% | | 0.2250% |
| 73 | | | | | | | | | | | |
| 74 | Gross Amount (Taxable Capital x Rate) | | 0 | | 0 | | 0 | | 0 | | 0 |
| 75 | Less: Federal Surtax | 22 | -6,856 | 22A | 6,856 | | 0 | 22B | 0 | | 0 |
| 76 | | | | | | | | | | | |
| 77 | Net LCT [LDC uses 0 properly; but used -10,000,000] | | 0 | | 6,856 | | 0 | | 0 | | 0 |
| 78 | | | | | | | | | | | |
| 79 | | | | | | | | | | | |
| 80 | **III) INCLUSION IN RATES MARCH 2002** | | | | | | | | | | |
| 81 | | | | | | | | | | | |
| 82 | IncomeTax (grossed-up) [OK !!} | 23 | 317,022 | 23A | -317,022 | May Have to Change Formula | 0 | 23B | 0 | | |
| 83 | LCT (grossed-up) | 24 | 0 | 24A | 0 | [NO: although the LDC used | 0 | 24B | 0 | | |
| 84 | Ontario Capital Tax | 25 | 11,155 | 25A | -11,155 | short formula, the result was | 0 | 25B | 0 | | |
| 85 | | | | | | correct since {C74} = 0] | | | | | |
| 86 | | | | | | | | | | | |
| 87 | ***Total S. 93 PILs Rate Adjustment*** | | **328,177** | | -328,177 | | 0 | | 0 | | |
| 88 | | | [revised after | | | | | | | | |
| 89 | | | response to IR; | | | | | | | | |
| 90 | | | was $304,805 | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | **LINE** | **Initial** | Source | Deferral | Deferral | **Deferral** | Source | M of F | M of F | **M of F** |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | | **Estimate** | | Account | Account | **Account** | | Filing | Filing | **Filing** |
| 3 | **TAX CALCULATIONS (TAXCALC)** | | | Foot- | Variance | Variance | **Allowance** | Foot- | Variance | Variance | |
| 4 | ("Wires-only" business - see Tab TAXREC) | | | note | G-C | Explanation | | note | K-G | Explanation | (June) |
| 5 | | | $ | # | $ | | $ | # | $ | | $ |
| 91 | | | before the IR | | | | | | | | |
| 92 | ***IV) FUTURE TRUE-UPS (post June 2002)*** | | response] | | | | | | **DR / (CR)** | | |
| 93 | Amount in M of F Filing Variance (Column I) that | | **{still subject to** | | | | | | | | |
| 94 | the Board orders added/subtracted from rates | | **approval of line** | | | | | | | | |
| 95 | EBIT | 1 | **6 item above}** | | | | | | | 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) | | | | | | | | -316,042 | | |
| 122 | Interest phased-in - (Deferral Account Cell G34) | | | | | | | | 0 | | |
| 123 | | | | | | | | | | | |
| 124 | Variance due to phase-in of debt stucture | | | | | | | | -316,042 | | |
| 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) | | | | | | | | 316,042 | | |
| 132 | | | | | | | | | | | |
| 133 | Variance caused by excess debt | | | | | | | | 316,042 | | |
| 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 | L |
|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | Source |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | |
| 3 | **TAX CALCULATIONS (TAXCALC)** | Foot- |
| 4 | ("Wires-only" business - see Tab TAXREC) | note |
| 5 | | # |
| 6 | | |
| 7 | Gravenhurst Hydro Electric Inc. | |
| 8 | Reporting period - Year 2002 | |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | **I) CORPORATE INCOME TAXES** | |
| 13 | | |
| 14 | ACCOUNTING INCOME | |
| 15 | Regulatory Net Income | 1C |
| 16 | | |
| 17 | BOOK TO TAX ADJUSTMENTS | |
| 18 | | |
| 19 | *Additions: To Accounting Income* | |
| 20 | Depr. & Amort. [revised after IR resp.; was $559,411] | 2C |
| 21 | Federal Large Corporation Tax | 3C |
| 22 | Employee Benefit Plans - Accrued, Not Paid | 4C |
| 23 | Change in Tax Reserves | 5C |
| 24 | Regulatory Adjustments [subject to Board approval] | 6C |
| 25 | Other Additions (See Tab entitled "TAXREC") | |
| 26 | "Material" Item #1 | 7C |
| 27 | "Material" Item #2 | 7C |
| 28 | Other Additions (not "Material") | 7C |
| 29 | *Deductions: From Accounting Income* | |
| 30 | Capital Cost Allowance [OK; CCA Sch. NBV = RUD] | 8C |
| 31 | Employee Benefit Plans - Paid Amounts | 9C |
| 32 | Items Capitalized for Regulatory Purposes | 10C |
| 33 | Regulatory Adjustments | 11C |
| 34 | Interest Expense Deemed/ Incurred | 12C |
| 35 | Other Deductions (See Tab entitled "TAXREC") | |
| 36 | "Material" Item #1 | 13C |
| 37 | "Material" Item #2 | 13C |
| 38 | Other Deductions (not "Material") | 13C |
| 39 | | |
| 40 | REGULATORY TAXABLE INCOME | |
| 41 | (sum of above) | |
| 42 | | |
| 43 | CORPORATE INCOME TAX RATE | |
| 44 | Deemed % | 14C |
| 45 | | |
| 46 | REGULATORY INCOME TAX | |
| 47 | Taxable Income x Rate | |
| 48 | | |
| 49 | Miscellaneous Tax Credits | 15C |
| 50 | | |
| 51 | **Total Regulatory Income Tax** | |
| 52 | | |
| 53 | | |
| 54 | | |

| | A | L |
|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | Source |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | |
| 3 | **TAX CALCULATIONS (TAXCALC)** | Foot- |
| 4 | ("Wires-only" business - see Tab TAXREC) | note |
| 5 | | # |
| 55 | | |
| 56 | **II) CAPITAL TAXES** | |
| 57 | | |
| 58 | *Ontario* | |
| 59 | Base | 16C |
| 60 | Less: Exemption | 17C |
| 61 | Deemed Taxable Capital | |
| 62 | | |
| 63 | Rate (.3%) | 18C |
| 64 | | |
| 65 | Net Amount (Taxable Capital x Rate) | |
| 66 | | |
| 67 | *Federal (LCT)* | |
| 68 | Base | 19C |
| 69 | Less: Exemption [LDC: -10,000,000, but put 0 in {C77} | 20C |
| 70 | Deemed Taxable Capital | |
| 71 | | |
| 72 | Rate (.225%) | 21C |
| 73 | | |
| 74 | Gross Amount (Taxable Capital x Rate) | |
| 75 | Less: Federal Surtax | 22C |
| 76 | | |
| 77 | Net LCT [LDC uses 0 properly; but used -10,000,000] | |
| 78 | | |
| 79 | | |
| 80 | **III) INCLUSION IN RATES MARCH 2002** | |
| 81 | | |
| 82 | IncomeTax (grossed-up) [OK !!} | n/a |
| 83 | LCT (grossed-up) | n/a |
| 84 | Ontario Capital Tax | n/a |
| 85 | | |
| 86 | | |
| 87 | ***Total S. 93 PILs Rate Adjustment*** | |
| 88 | | |
| 89 | | |
| 90 | | |

| | A | L |
|---|---|---|
| 1 | **SECTION 93 PILs TAX GROSS-UP "SIMPIL"** | Source |
| 2 | **DEFERRAL/VARIANCE ACCOUNTS** | |
| 3 | **TAX CALCULATIONS (TAXCALC)** | Foot- |
| 4 | ("Wires-only" business - see Tab TAXREC) | note |
| 5 | | # |
| 91 | | |
| 92 | ***IV) FUTURE TRUE-UPS (post June 2002)*** | |
| 93 | Amount in M of F Filing Variance (Column I) that | |
| 94 | the Board orders added/subtracted from rates | |
| 95 | EBIT | |
| 96 | Depreciation &Amortization | |
| 97 | Federal Large Corporation Tax | |
| 98 | Employee Benefit Plans - Accrued, Not Paid | |
| 99 | Change in Tax Reserves | |
| 100 | Regulatory Adjustments | |
| 101 | Other additions "Material" Item #1 | |
| 102 | Other additions "Material" Item #2 | |
| 103 | Other additions (not "Material") | |
| 104 | Capital Cost Allowance | |
| 105 | Employee Benefit Plans - Paid Amounts | |
| 106 | Items Capitalized for Regulatory Purposes | |
| 107 | Regulatory Adjustments | |
| 108 | Interest Adjustment for Tax Purposes (Cell I135) | |
| 109 | Other deductions "Material" Item #1 | |
| 110 | Other deductions "Material" Item #2 | |
| 111 | Other deductions (not "Material") | |
| 112 | Miscellaneous Tax Credits | |
| 113 | | |
| 114 | **Deferral Account Entry (Positive Entry=Debit)** | |
| 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) | |
| 122 | Interest phased-in - (Deferral Account Cell G34) | |
| 123 | | |
| 124 | Variance due to phase-in of debt stucture | |
| 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) | |
| 131 | Total deemed interest (REGINFO CELL D49) | |
| 132 | | |
| 133 | Variance caused by excess debt | |
| 134 | | |
| 135 | **Interest Adjustment for Tax Purposes Cell I108** | |
| 136 | | |
| 137 | **Total Interest Variance (Cell I34)** | |
| 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 | Gravenhurst Hydro Electric Inc. | | | | | |
| 8 | Reporting period - Year 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 |

| | 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 | | | | | | |
| 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 |

| | 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 | | | | | | |
| 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 | |

| | 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 | | | | | | |
| 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: | Gravenhurst | |
| File Number: | RP-2005-0013 | |
| | EB-2005-0030 | |
| 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) | yes |
| 2. Please identify the percentage used to allocate the exemption. | 100.00% |
| 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) | $8,718,401.95 | | |
| 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 | $746,731 | | |
| 1999 return from RUD Sheet #7 | $215,459 | | $215,459 |
| Total Incremental revenue | $531,272 | | |
| | *Based on Board's Decision (RP-2000-0069)* | *Board-Approved Amounts* | |
| *Amount allowed in 2001, Year 1* | $177,091 | $177,091 | $177,091 |
| *Amount allowed in 2002, Year 2* | $177,091 | $177,091 | $177,091 |
| *Amount allowed in 2003, Year 3* | $177,091 | $177,091 | $177,091 |
| Permanent Changes to Base Rate *(e.g. LPP 5% to 1.5%)* | $31,962 | | $31,962 |
| C&DM Capital Portion from "C&DM TAX FORECAST" worksheet | 28% | | |
| Total Regulatory Income | | | **$778,693** |

| | |
|---|---|
| Equity | $4,359,201 |
| Return at target ROE | $430,689 |
| Debt | $4,359,201 |
| Deemed interest amount in EBIT | $316,042 |

| SECTION 93 PILs TAX GROSS-UP<br>PROXY CALCULATION FOR 2005<br>TAX CALCULATIONS (TAXCALC)<br><br>Utility Name: Gravenhurst<br>Reporting Period: January 1, 2005- December 31, 2005<br>Days in Reporting Period: 365<br>Total days in the calendar year: 365 | ITEM | Proxy Calculation<br><br>$ | Comments |
|---|---|---|---|
| **I) CORPORATE INCOME TAXES** | | | |
| Regulatory Net Income | 1 | **$778,693** | |
| BOOK TO TAX ADJUSTMENTS | | | |
| ***Additions:*** | | | |
| Depreciation & Amortization | 2 | **$604,539** | |
| 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 | **$453,790** | |
| Employee Benefit Plans - Paid Amounts | 8 | $0 | |
| Items Capitalized for Regulatory Purposes | 9 | $0 | |
| Regulatory Adjustments | 10 | $0 | |
| Interest Expense Deemed | 11 | **$316,042** | |
| 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 | **$38,000** | |
| Material Items | 12 | $0 | |
| Other Deductions | 12 | $0 | |
| **REGULATORY TAXABLE INCOME** | | **$575,400** | |
| **CORPORATE INCOME TAX RATE** | | | |
| *Deemed %* | 13 | 27.50% | |
| REGULATORY INCOME TAX<br>Taxable Income x Rate | | $158,235 | |
| Miscellaneous Tax Credits | 14 | $0 | |
| **Total Regulatory Income Tax** | | **$158,235** | |

| SECTION 93 PILs TAX GROSS-UP<br>PROXY CALCULATION FOR 2005<br>TAX CALCULATIONS (TAXCALC)<br><br>Utility Name: Gravenhurst<br>Reporting Period: January 1, 2005- December 31, 2005<br>Days in Reporting Period: 365<br>Total days in the calendar year: 365 | ITEM | Proxy Calculation<br><br>$ | Comments |
|---|---|---|---|
| | | | |
| **Percentage used to determine the exemptions for capital tax and large corporations tax** | | 100% | |
| **II) CAPITAL TAXES** | | | |
| *Ontario* | | | |
| Rate Base | 15 | $8,718,402 | |
| Less: Exemption | 16 | $7,500,000 | |
| Deemed Taxable Capital | | $1,218,402 | |
| Rate (.3%) | 17 | 0.3000% | |
| **Net Amount (Taxable Capital x Rate)** | | **$3,655** | |
| *Federal (LCT)* | | | |
| Base | 18 | $8,718,402 | |
| 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 | | 27.50% | |
| Income Tax (grossed-up) | 22 | $218,255 | |
| LCT (grossed-up) | 23 | $0 | |
| Ontario Capital Tax | 24 | $3,655 | |
| ***Total S. 93 PILs Rate Adjustment***<br>***(Enter this amount in the 2005 RAM, Sheet #4, cell G14)*** | **25** | **$221,910** | |

**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:** **Gravenhurst**
**File Number:** **RP-2005-0013**
**EB-2005-0030**

| | Jan - Dec 2005 | | Jan - Dec 2006 | | Jan - Sept 30th 2007 | | Total | |
|---|---|---|---|---|---|---|---|---|
| | $ | % | $ | % | $ | % | $ | % |
| **Capital** | $15,000 | 28% | $15,000 | 20% | | 0% | **$30,000** | 17% |
| **Tax Deductible Expense** | $38,000 | 72% | $61,000 | 80% | $49,000 | 100% | **$148,000** | 83% |
| **Total** | **$53,000** | **100%** | **$76,000** | **100%** | **$49,000** | **100%** | **$178,000** | **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.

| | |
|---|---|
| File Number: | EB-2012-0061 |
| Exhibit: | 3 |
| Tab: | 2 |
| Schedule: | 1 |
| Date Filed: | May 01, 2012 |

# Appendix 2 of 6

# OEB Board Decisions

**Ontario Energy Board**
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
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**Commission de l'Énergie de l'Ontario**
C.P. 2319
26e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273

Ontario

RECEIVED
AUG 1 2002
GRAVENHURST HYDRO

2002 July 31

George McEachern
General Manager - Secretary-Treas.
Gravenhurst Hydro Electric Inc.
Box 250
Gravenhurst, ON
P1P 1T6

Dear Mr. McEachern:

**Re: Gravenhurst Hydro Electric Inc.**
**Market Adjusted Rate of Return (MARR) Application**
**Board File No. RP-2002-0060/EB-2002-0069**

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

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

**RP-2002-0060**
**EB-2002-0069**

**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 Gravenhurst Hydro Electric Inc. for an order or orders approving or fixing just and reasonable rates.

**BEFORE:** Paul Vlahos
Vice Chair and Presiding Member

George Dominy
Member

## INTERIM DECISION WITH REASONS 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.

Gravenhurst Hydro Electric Inc. ("the Applicant") filed an Application ("the Application"), dated April 12, 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.

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 for the following:

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.

- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), $177,091.

- the 2001 deferred Payments in Lieu of Taxes (PILs), $61,407.

- the 2002 Payments in Lieu of Taxes (PILs), $304,805.

- a Z-Factor recovery of $132,818, in lieu of a rate rider, representing the lost revenue due to the delay in the implementation of the first year unbundled rates and the 1/3 incremental MARR for the period of April 1, 2001 to December 31, 2001, as per Interim Decision with Reasons and Order (RP-2001-0005 / EB-2001-0030).

- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, $31,962.

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 Board notes that, on June 17, 2002, the Applicant filed a depreciation schedule in response to Board Staff interrogatories with the expectation that the Board would recalculate the PILs for 2001 and 2002 using the revised depreciation amounts of $144,844 for 2001 and $604,539 for 2002. Based on these revised depreciation amounts, the Board calculates the 2001 deferred PILs as $63,992 and the 2002 PILs as $328,177 (instead of $61,407 and $304,805, respectively, proposed by the Applicant).

The Applicant requested that its new rates be effective March 1, 2002 and to establish a deferral account for the recovery of the lost revenue for the period of March 1, 2002 to the implementation date and that it will apply for a rate rider for the recovery of the lost revenue in a subsequent application. The Board notes that it received Gravenhurst Hydro Electric Inc.'s Application, dated April 12, 2002, on April 17, 2002, almost three months later than January 25, 2002, the deadline set out in Board's December 21, 2001 filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. The Board determines that June 1, 2002 is a reasonable effective date for the Applicant's new rates. Consequently, the deferral account shall record revenue loss from June 1, 2002 to July 31, 2002.

The Board recognizes that, due to the delayed implementation of the distribution rate adjustment, the Z-Factor amount of $132,818 will not be fully recovered. Therefore, the Board prorates the Z-Factor amount to reflect recovery over the

seven month period of August 1, 2002 (implementation date for the distribution rate adjustment) to February 28, 2003.

Subject to these adjustments, the Board finds that the Applicant's proposals conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable. The Board notes that the Applicant's current distribution rates are interim as per Interim Decision with Reasons and Order (RP-2001-0005 / EB-2001-0030) and that the Board will schedule an oral hearing to examine the reasonableness of the Applicant's proposals with respect to Boundary Assistance pursuant to Regulation 315/99 and normalization in financial data for the 1999 base year. Therefore, the Board determines that the distribution rates for this application (RP-2002-0060 / EB-2002-0069) shall also be interim.

**THE BOARD ORDERS THAT:**

1) The rates set out in Appendix "A" of this Order are approved on an interim basis effective June 1, 2002.

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

DATED at Toronto, July 31, 2002.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2002-0060
EB-2002-0069

July 31, 2002

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

**Gravenhurst Hydro Electric Inc.**
**Interim Schedule of Rates and Charges**
Effective June 1, 2002

RP-2002-0060
EB-2002-0069

**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.

**RESIDENTIAL URBAN SERVICE**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $12.17 |
| Distribution Volumetric Rate | (per kWh) | $0.0203 |

**RESIDENTIAL SUBURBAN SERVICE**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $17.36 |
| Distribution Volumetric Rate | (per kWh) | $0.0209 |

**RESIDENTIAL SUBURBAN SEASONAL SERVICE**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $31.94 |
| Distribution Volumetric Rate | (per kWh) | $0.0320 |

**GENERAL SERVICE < 50 KW URBAN SERVICE**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.72 |
| Distribution Volumetric Rate | (per kWh) | $0.0207 |

**GENERAL SERVICE < 50 KW SUBURBAN SERVICE**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.69 |
| Distribution Volumetric Rate | (per kWh) | $0.0219 |

**GENERAL SERVICE > 50 KW URBAN SERVICE (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $30.94 |
| Distribution Volumetric Rate | (per kW) | $5.5109 |

## GENERAL SERVICE > 50 KW SUBURBAN SERVICE (Non Time of Use)

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $29.22 |
| Distribution Volumetric Rate | (per kW) | $5.3451 |

## SENTINEL LIGHTS (Non Time of Use)

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.90 |
| Distribution Volumetric Rate | (per kW) | $0.5580 |

## STREET LIGHTING (Time of Use)

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.54 |
| Distribution Volumetric Rate | (per kW) | $0.0990 |

## UN-METERED SCATTERED LOADS (EXCLUDING STREET LIGHTS)

All non-metered loads including billboards, traffic signals, bus kiosks, cable power supplies and pay telephone booths are to be billed on an individual location basis under the General Service less than 50 kilowatt rates. Usage to be measured using kilowatts as estimated or determined by portable meters and kilowatt hours as determined by the number of hours per day of operation.

## TRANSFORMER OWNERSHIP ALLOWANCE

| | | |
|---|---|---|
| Transformer Ownership Allowance (for connections prior to January 1, 2001) | (per kW) | $0.60 |

## SPECIFIC SERVICE CHARGES

| | | |
|---|---|---|
| Customer Administration: | | |
| Account Set-Up Charge | | $10.00 |
| Arrear's Certificate Charge | | $15.00 |
| Non Payment of Account: | | |
| Late Penalty (Overdue Account | (per month) | 1.50% |
| Account Interest Charge) on unpaid balance | (per annum) | 19.56% |
| Returned Cheque - Actual Bank Charges plus | | $9.00 |
| Collection of Account Charge | | $9.00 |
| Disconnect/Reconnect Charges (non payment of account) | | |
| During Regular Hours | | $20.00 |
| During After Hours | | $50.00 |
| Install / Remove Temporary Service | | $250.00 |

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

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

Ontario

March 15, 2004

George McEachern
President
Gravenhurst Hydro Electric Inc.
195 Progress Drive
P.O. Box 250
Gravenhurst ON
P1P 1T6

Dear Mr. McEachern:

**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

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2004-0049
EB-2004-0035

**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 Gravenhurst Hydro Electric Inc. for an order or orders approving or fixing just and reasonable rates.

**BEFORE:** Paul Vlahos
Presiding Member

Paul Sommerville
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 15, 2004

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Secretary

TAB 10

**Interim Rates**
**Gravenhurst Hydro Electric Inc.**
**Schedule of Distribution Rates and Charges**
Effective Date: March 1, 2004
Implementation Date: April 1, 2004

RP-2004-0049
EB-2004-0035

**RESIDENTIAL - Urban**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $12.17 |
| Distribution Volumetric Rate | (per kWh) | $0.0183 |

**RESIDENTIAL - Suburban**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $17.36 |
| Distribution Volumetric Rate | (per kWh) | $0.0180 |

**RESIDENTIAL - Suburban Seasonal**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $31.94 |
| Distribution Volumetric Rate | (per kWh) | $0.0298 |

**GENERAL SERVICE < 50 KW - Urban**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.72 |
| Distribution Volumetric Rate | (per kWh) | $0.0174 |

**GENERAL SERVICE < 50 KW - Suburban**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.69 |
| Distribution Volumetric Rate | (per kWh) | $0.0230 |

**GENERAL SERVICE > 50 KW (Non Time of Use) - Urban**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $30.94 |
| Distribution Volumetric Rate | (per kW) | $4.6999 |

**GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $29.22 |
| Distribution Volumetric Rate | (per kW) | $4.7078 |

**SENTINEL LIGHTS (Non Time of Use) - Urban**

| | | |
|---|---|---|
| Monthly Service Charge | (per connection) | $0.80 |
| Distribution Volumetric Rate | (per kW) | $0.0479 |

**STREET LIGHTING (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per connection) | $0.44 |
| Distribution Volumetric Rate | (per kW) | $0.0151 |

**UNMETERED SCATTERED LOADS**
Billed at General Service <50 kW (Urban) rates

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.72 |
| Distribution Volumetric Rate | (per kWh) | $0.0174 |

Ontario Energy
Board
P.O. Box 2319
26th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
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Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273

Ontario

**BY PRIORITY POST**

March 21, 2005

RECEIVED
MAR 2 2 2005
GRAVENHURST HYDRO

George McEachern
President
Gravenhurst Hydro Electric Inc.
195 Progress Drive
P.O. Box 250
Gravenhurst, ON
P1P 1T6

Dear Mr. McEachern:

**Re: 2005 Electricity Distribution Rates**
**Board Decision and Order**
**Board File No. RP-2005-0013\EB-2005-0030**

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-2005-0030**

**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 **Gravenhurst Hydro Electric Inc.** 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 proceeding 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:** $ 177,091
**2005 PILs Proxy:** $ 221,910
**Regulatory Assets Second Tranche:** $ 57,878

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 21, 2005
ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0013
EB-2005-0030

March 21, 2005

ONTARIO ENERGY BOARD

**Gravenhurst Hydro Electric Inc.**
**Schedule of Changed Distribution Rates and Charges**
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RP-2004-0013
EB-2004-0030

**RESIDENTIAL URBAN**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $10.29 |
| Distribution Volumetric Rate | (per kWh) | $0.0203 |

**RESIDENTIAL SUBURBAN**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $14.70 |
| Distribution Volumetric Rate | (per kWh) | $0.0207 |

**RESIDENTIAL SUBURBAN SEASONAL**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $27.17 |
| Distribution Volumetric Rate | (per kWh) | $0.0341 |

**GENERAL SERVICE URBAN < 50 KW**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $11.34 |
| Distribution Volumetric Rate | (per kWh) | $0.0198 |

**GENERAL SERVICE SUBURBAN < 50 KW**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $12.43 |
| Distribution Volumetric Rate | (per kWh) | $0.0215 |

**GENERAL SERVICE URBAN > 50 KW (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $26.12 |
| Distribution Volumetric Rate | (per kW) | $5.4204 |

**GENERAL SERVICE SUBURBAN > 50 KW (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $26.09 |
| Distribution Volumetric Rate | (per kW) | $5.4191 |

**Gravenhurst Hydro Electric Inc.**
**Schedule of Changed Distribution Rates and Charges**
**Effective Date: March 1, 2005**
**Implementation Date: April 1, 2005**

RP-2004-0013
EB-2004-0030

**SENTINEL LIGHTS (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.75 |
| Distribution Volumetric Rate | (per kW) | $1.1140 |

**STREET LIGHTING (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.46 |
| Distribution Volumetric Rate | (per kW) | $0.5792 |

**Unmetered Scattered Loads**

Billed at General Service < 50 kW (urban) rates

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $11.34 |
| Distribution Volumetric Rate | (per kWh) | $0.0198 |

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

| | |
|---|---|
| File Number: | EB-2012-0061 |
| Exhibit: | 3 |
| 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** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 37354 | | |

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

## SUBURBAN SEASONAL RESIDENTIAL

| | | |
|---|---|---|
| DISTRIBUTION KWH RATE | $0.0229 | <-----OK |
| MONTHLY SERVICE CHARGE (Per Customer) | $22.92 | <-----OK |
| COST OF POWER KWH RATE | $0.0761 | <-----OK |

## RESIDENTIAL (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0229 |
| MONTHLY SERVICE CHARGE (Per Customer) | $22.92 |

| 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 | $0.0000 |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |
| COST OF POWER KWH RATE | $0.0000 |

## 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 | $0.0000 |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |
| COST OF POWER KW RATE | $0.0000 |
| COST OF POWER KWH RATE | $0.0000 |

## GENERAL SERVICE > 50 KW (TIME OF USE)

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

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

## SENTINEL LIGHTS (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.0000 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.00 |
| 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 $/KW | SUMMER PEAK $/KW |
|---|---|---|
| | $0.0000 | $0.0000 |

## STREET LIGHTING (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.0000 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.00 |
| 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 $/KW | SUMMER PEAK $/KW |
|---|---|---|
| | $0.0000 | $0.0000 |

## 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 | | $ - |
| Change of Occupancy | | $ - |
| Account History | | |
| Administration Fee | | $ - |
| Current Year Data | | $ - |
| Each Additional Year Data | | $ - |
| Arrear's Certificate | | $ - |
| Late Payment | | 0.00% |
| Returned Cheque | | $ - |
| Collection of Account Charge | | $ - |
| Disconnect/Reconnect Charges (non payment of account) | | |
| At Meter - During Regular Hours | | $ - |
| At Meter - After Hours | | $ - |
| Temporary Pole Service | | $ - |
| 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 | $ - |

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

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 37354 | | |

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.

## SUBURBAN SEASONAL RESIDENTIAL

| | | % change from Yr1: |
|---|---|---|
| DISTRIBUTION KWH RATE | $0.022648 | -1.100% |
| MONTHLY SERVICE CHARGE (Per Customer) | $22.6679 | -1.100% |
| COST OF POWER KWH RATE | $0.0761 | |

## RESIDENTIAL (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.022648 |
| MONTHLY SERVICE CHARGE (Per Customer) | $22.6679 |

| 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 | $0.000000 |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.0000 |
| COST OF POWER KWH RATE | $0.00000 |

## 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 $/KW | SUMMER PEAK $/KW |
| | $0.0000 | $0.0000 |

tes.

| 1999 Statistics by Class | kW | kWh | Number of Customers (Connections) | Distribution Revenues | 1999 Revenue Shares | 2002 1/3 MARR Allocations |
|---|---|---|---|---|---|---|
| RESIDENTIAL CLASS | - | 35,280,332 | 3,676 | $816,502.66 | 43.99% | 91960.49689 |
| GENERAL SERVICE <50 KW CLASS | - | 7,929,474 | 363 | $142,964.71 | 7.70% | 16101.73081 |
| GENERAL SERVICE >50 KW NON TIME OF USE | 34,257 | - | 27 | $133,453.67 | 7.19% | 15030.52705 |
| GENERAL SERVICE >50 KW TIME OF USE | 0 | - | 0 | $0.00 | 0.00% | 0 |
| INTERMEDIATE USE | 0 | - | 0 | $0.00 | 0.00% | 0 |
| LARGE USER CLASS | 0 | - | 0 | $0.00 | 0.00% | 0 |
| SENTINEL LIGHTS | 139 | - | 71 | $536.84 | 0.03% | 60.46284397 |
| STREET LIGHTING CLASS | 1,929 | - | 954 | $4,220.68 | 0.23% | 475.3638259 |
| RESIDENTIAL CLASS | - | 2,458,970 | 148 | $53,471.21 | 2.88% | 6022.31839 |
| GENERAL SERVICE <50 KW CLASS | - | 8,332,688 | 246 | $149,188.65 | 8.04% | 16802.71654 |
| GENERAL SERVICE >50 KW NON TIME OF USE | 38,691 | - | 18 | $147,545.12 | 7.95% | 16617.6102 |
| RESIDENTIAL CLASS | - | 5,958,216 | 1,130 | $408,260.22 | 22.00% | $ 45,981.25 |
| TOTALS | | | | ########### | 100.00% | $209,052.48 |
| | | | | Allocated Total for 2002 including adjustments at | | $209,052.48 |

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

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 37354 | | |

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.

## SUBURBAN SEASONAL RESIDENTIAL

| | | % change from Yr1: |
|---|---|---|
| DISTRIBUTION KWH RATE | $0.0250 | 9.178% |
| MONTHLY SERVICE CHARGE (Per Customer) | $25.02 | 9.182% |
| COST OF POWER KWH RATE | $0.0761 | |

## RESIDENTIAL (TIME OF USE)

| | | | | |
|---|---|---|---|---|
| DISTRIBUTION KWH RATE | $0.0250 | | | |
| MONTHLY SERVICE CHARGE (Per Customer) | $25.02 | | | |
| 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 | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | #DIV/0! |
| COST OF POWER KWH RATE | $0.0000 |

## GENERAL SERVICE < 50 KW (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 (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** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 37354 | | |

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)

### SUBURBAN SEASONAL 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 | $ | 22.92 | | n/a | n/a | $ | 25.02 | | |
| DISTRIBUTION KWH | 100 | 0.0229 | $ | 2.29 | | 100 | 0.02500 | $ | 2.50 | | |
| COST OF POWER KWH | 100 | 0.0761 | $ | 7.61 | | 100 | 0.0761 | $ | 7.61 | | |
| CURRENT 2001 BILL | | | $ | 32.82 | | Adjusted 2002 BILL | | $ | 35.13 | $ 2.31 | 7.1% |
| **250 kWh** | | | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | | n/a | n/a | $ | 25.02 | | |
| DISTRIBUTION KWH | 250 | 0.0229 | $ | 5.73 | | 250 | 0.02500 | $ | 6.25 | | |
| COST OF POWER KWH | 250 | 0.0761 | $ | 19.03 | | 250 | 0.0761 | $ | 19.03 | | |
| CURRENT 2001 BILL | | | $ | 47.67 | | Adjusted 2002 BILL | | $ | 50.30 | $ 2.63 | 5.5% |
| **500 kWh** | | | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | | n/a | n/a | $ | 25.02 | | |
| DISTRIBUTION KWH | 500 | 0.0229 | $ | 11.45 | | 500 | 0.02500 | $ | 12.50 | | |
| COST OF POWER KWH | 500 | 0.0761 | $ | 38.05 | | 500 | 0.0761 | $ | 38.05 | | |
| CURRENT 2001 BILL | | | $ | 72.42 | | Adjusted 2002 BILL | | $ | 75.58 | $ 3.16 | 4.4% |
| **750 kWh** | | | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | | n/a | n/a | $ | 25.02 | | |
| DISTRIBUTION KWH | 750 | 0.0229 | $ | 17.18 | | 750 | 0.02500 | $ | 18.75 | | |
| COST OF POWER KWH | 750 | 0.0761 | $ | 57.08 | | 750 | 0.0761 | $ | 57.08 | | |
| CURRENT 2001 BILL | | | $ | 97.17 | | Adjusted 2002 BILL | | $ | 100.85 | $ 3.68 | 3.8% |
| **1000 kWh** | | | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | | n/a | n/a | $ | 25.02 | | |
| DISTRIBUTION KWH | 1000 | 0.0229 | $ | 22.90 | | 1000 | 0.02500 | $ | 25.00 | | |
| COST OF POWER KWH | 1000 | 0.0761 | $ | 76.10 | | 1000 | 0.0761 | $ | 76.10 | | |
| CURRENT 2001 BILL | | | $ | 121.92 | | Adjusted 2002 BILL | | $ | 126.13 | $ 4.21 | 3.5% |
| **1500 kWh** | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 25.02 | | |
| DISTRIBUTION KWH | 1500 | 0.0229 | $ | 34.35 | | DISTRIBUTION KWH | 1500 | 0.02500 | $ | 37.50 | | |
| COST OF POWER KWH | 1500 | 0.0761 | $ | 114.15 | | COST OF POWER KWH | 1500 | 0.0761 | $ | 114.15 | | |
| CURRENT 2001 BILL | | | $ | 171.42 | | Adjusted 2002 BILL | | | $ | 176.68 | $ 5.26 | 3.1% |

| **MONTHLY CONSUMPTION OF 2000 kWh** | **KWH (enter)** | **RATE $/KWH** | **CHARGE $** | | | **KWH** | **RATE $/KWH** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 25.02 | | |
| DISTRIBUTION KWH | 2000 | 0.0229 | $ | 45.80 | DISTRIBUTION KWH | 2000 | 0.02500 | $ 50.00 | | |
| COST OF POWER KWH | 2000 | 0.0761 | $ | 152.20 | COST OF POWER KWH | 2000 | 0.0761 | $ 152.20 | | |
| CURRENT 2001 BILL | | | $ | 220.92 | Adjusted 2002 BILL | | | $ 227.23 | $ 6.31 | 2.9% |

## 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 | $ | - | 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 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! |

| **MONTHLY CONSUMPTION 5000 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 | 5000 | 0.0000 | $ | - | DISTRIBUTION KWH | 5000 | #DIV/0! | #DIV/0! | | |
| COST OF POWER KWH | 5000 | 0.0000 | $ | - | COST OF POWER KWH | 5000 | 0.0000 | $ - | | |
| CURRENT 2001 BILL | | | $ | - | Adjusted 2002 BILL | | | #DIV/0! | #DIV/0! | #DIV/0! |

| **MONTHLY CONSUMPTION 10,000 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 | 10000 | 0.0000 | $ | - | DISTRIBUTION KWH | 10000 | #DIV/0! | #DIV/0! | | |
| COST OF POWER KWH | 10000 | 0.0000 | $ | - | COST OF POWER KWH | 10000 | 0.0000 | $ - | | |
| CURRENT 2001 BILL | | | $ | - | Adjusted 2002 BILL | | | #DIV/0! | #DIV/0! | #DIV/0! |

| **MONTHLY CONSUMPTION 20,000 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 | 20000 | 0.0000 | $ | - | DISTRIBUTION KWH | 20000 | #DIV/0! | #DIV/0! | | |
| COST OF POWER KWH | 20000 | 0.0000 | $ | - | COST OF POWER KWH | 20000 | 0.0000 | $ - | | |

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

**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 | $ | - | 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 | $ - | | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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 | $ - | | |
| | **kWh** | **RATE $/kWh** | | | | **kWh** | **RATE $/kWh** | | | |
| COST OF POWER WINTER PEAK | 20,000 | 0.0000 | $ - | | COST OF POWER 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**

| | KW | RATE $/kW | CHARGE $ | | KW | RATE $/kW | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kW | 4000 | 0.0000 | $ - | DISTRIBUTION kW | 4000 | #DIV/0! | #DIV/0! | | |
| kW COST OF POWER Demand Charge | 4000 | 0.0000 | $ - | kW COST OF POWER 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 $ | | KW | RATE $/kW | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kW | 4000 | 0.0000 | $ - | DISTRIBUTION kW | 4000 | #DIV/0! | #DIV/0! | | |
| kW COST OF POWER Demand Charge | 4000 | 0.0000 | $ - | kW COST OF POWER 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 $ | | KW | RATE $/kW | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kW | 6000 | 0.0000 | $ - | DISTRIBUTION kW | 6000 | #DIV/0! | #DIV/0! | | |
| kW COST OF POWER Demand Charge | 6000 | 0.0000 | $ - | kW COST OF POWER Demand Charge | 6000 | 0.0000 | $ - | | |
| | | **RATE** | | | | **RATE** | | | |
| COST OF POWER | **kWh** | **$/kWh** | | COST OF POWER | **kWh** | **$/kWh** | | | |
| WINTER PEAK | ####### | 0.0000 | $ - | WINTER PEAK | ####### | 0.0000 | $ - | | |
| WINTER OFF PEAK | ####### | 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 | ####### | 0.0000 | $ - | SUMMER PEAK | ####### | 0.0000 | $ - | | |
| SUMMER OFF PEAK | ####### | 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! |

| 2001 Statistics by Class | kW | kWh | Number of Customers (Connections) | Distribution Revenues | 2001 Revenue Shares | 2001 PILs Deferral Allocations |
|---|---|---|---|---|---|---|
| RESIDENTIAL CLASS | - | 35,918,603 | 3,738 | $847,284.33 | 45.58% | 29168.7304 |
| GENERAL SERVICE <50 KW CLASS | - | 8,277,712 | 369 | $164,074.07 | 8.83% | 5648.43734 |
| GENERAL SERVICE >50 KW NON TIME OF USE | 40,318 | | 27 | $137,051.31 | 7.37% | 4718.14799 |
| GENERAL SERVICE >50 KW TIME OF USE | 0 | - | 0 | $0.00 | 0.00% | 0 |
| INTERMEDIATE USE | 0 | - | 0 | $0.00 | 0.00% | 0 |
| LARGE USER CLASS | 0 | - | 0 | $0.00 | 0.00% | 0 |
| SENTINEL LIGHTS | 137 | - | 76 | $652.82 | 0.04% | 22.4740738 |
| STREET LIGHTING CLASS | 1,752 | - | 941 | $3,924.86 | 0.21% | 135.117787 |
| RESIDENTIAL CLASS | - | 2,440,425 | 148 | $54,144.53 | 2.91% | 1863.98726 |
| GENERAL SERVICE <50 KW CLASS | - | 6,399,094 | 250 | $106,756.89 | 5.74% | 3675.22793 |
| GENERAL SERVICE >50 KW NON TIME OF USE | 49,007 | | 22 | $139,730.27 | 7.52% | 4810.37406 |
| RESIDENTIAL CLASS | - | 5,890,210 | 1,132 | $405,200.89 | 21.80% | 13949.5031 |
| TOTALS | | | | ########### | 100.00% | $63,992.00 |
| | | | | | | $63,992.00 |

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

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 8-Apr-02 | | |

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.

## SUBURBAN SEASONAL

### RESIDENTIAL

| | | % change from Yr1: |
|---|---|---|
| DISTRIBUTION KWH RATE | $0.02572 | 12.333% |
| MONTHLY SERVICE CHARGE (Per Customer) | $25.73829 | 12.296% |
| COST OF POWER KWH RATE | $0.07610 | |

### RESIDENTIAL (TIME OF USE)

| | | | | |
|---|---|---|---|---|
| DISTRIBUTION KWH RATE | $0.02572 | | | |
| MONTHLY SERVICE CHARGE (Per Customer) | $25.73829 | | | |
| 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 | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | #DIV/0! |
| COST OF POWER KWH RATE | $0.000000 |

### GENERAL SERVICE < 50 KW (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 (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<br>$/KW | SUMMER PEAK<br>$/KW |
| | $0.0000 | $0.0000 |

| 2001 Statistics by Class | kW | kWh | Number of Customers (Connections) | Distribution Revenues | 2001 Revenue Shares | 2002 PILs Estimate Allocations |
|---|---|---|---|---|---|---|
| **RESIDENTIAL CLASS** | - | 35,918,603 | 3,738 | $847,284.33 | 45.58% | 149589.1118 |
| **GENERAL SERVICE <50 KW CLASS** | - | 8,277,712 | 369 | $164,074.07 | 8.83% | 28967.48375 |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | 40,318 | - | 27 | $137,051.31 | 7.37% | 24196.58164 |
| **GENERAL SERVICE >50 KW TIME OF USE** | 0 | - | 0 | $0.00 | 0.00% | 0 |
| **INTERMEDIATE USE** | 0 | - | 0 | $0.00 | 0.00% | 0 |
| **LARGE USER CLASS** | 0 | - | 0 | $0.00 | 0.00% | 0 |
| **SENTINEL LIGHTS** | 137 | - | 76 | $652.82 | 0.04% | 115.2561903 |
| **STREET LIGHTING CLASS** | 1,752 | - | 941 | $3,924.86 | 0.21% | 692.9389587 |
| **RESIDENTIAL CLASS** | - | 2,440,425 | 148 | $54,144.53 | 2.91% | 9559.284723 |
| **GENERAL SERVICE <50 KW CLASS** | - | 6,399,094 | 250 | $106,756.89 | 5.74% | 18848.06344 |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | 49,007 | - | 22 | $139,730.27 | 7.52% | 24669.55446 |
| **RESIDENTIAL CLASS** | - | 5,890,210 | 1,132 | $405,200.89 | 21.80% | 71538.72504 |
| **TOTALS** | | | | $1,858,819.98 | 100.00% | $328,177.00 |
| | | | | | | $328,177.00 |

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

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 8-Apr-02 | | |

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.

## SUBURBAN SEASONAL

## RESIDENTIAL

| | | % change from Yr1: |
|---|---|---|
| DISTRIBUTION KWH RATE | $0.02943 | 28.509% |
| MONTHLY SERVICE CHARGE (Per Customer) | $29.39843 | 28.265% |
| COST OF POWER KWH RATE | $0.07610 | |

## RESIDENTIAL (TIME OF USE)

| | | | | |
|---|---|---|---|---|
| DISTRIBUTION KWH RATE | $0.02943 | | | |
| MONTHLY SERVICE CHARGE (Per Customer) | $29.39843 | | | |
| 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 | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | #DIV/0! |
| COST OF POWER KWH RATE | $0.000000 |

## GENERAL SERVICE < 50 KW (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 (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<br>$/KW | SUMMER PEAK<br>$/KW |
| | $0.0000 | $0.0000 |

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

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 8-Apr-02 | | |

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)

### SUBURBAN SEASONAL 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 | $ | 22.92 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 29.40 | | |
| DISTRIBUTION KWH | 100 | 0.0229 | $ | 2.29 | DISTRIBUTION KWH | 100 | 0.02943 | $ 2.94 | | |
| COST OF POWER KWH | 100 | 0.0761 | $ | 7.61 | COST OF POWER KWH | 100 | 0.0761 | $ 7.61 | | |
| CURRENT 2001 BILL | | | $ | 32.82 | Adjusted 2002 BILL | | | $ 39.95 | $ 7.13 | 21.7% |
| **MONTHLY CONSUMPTION OF** | **KWH** | **RATE** | **CHARGE** | | | **KWH** | **RATE** | **CHARGE** | **IMPACT** | **IMPACT** |
| **250 kWh** | **(enter)** | **$/KWH** | **$** | | | | **$/KWH** | **$** | **DOLLARS** | **%** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 29.40 | | |
| DISTRIBUTION KWH | 250 | 0.0229 | $ | 5.73 | DISTRIBUTION KWH | 250 | 0.02943 | $ 7.36 | | |
| COST OF POWER KWH | 250 | 0.0761 | $ | 19.03 | COST OF POWER KWH | 250 | 0.0761 | $ 19.03 | | |
| CURRENT 2001 BILL | | | $ | 47.67 | Adjusted 2002 BILL | | | $ 55.78 | $ 8.11 | 17.0% |
| **MONTHLY CONSUMPTION OF** | **KWH** | **RATE** | **CHARGE** | | | **KWH** | **RATE** | **CHARGE** | **IMPACT** | **IMPACT** |
| **500 kWh** | **(enter)** | **$/KWH** | **$** | | | | **$/KWH** | **$** | **DOLLARS** | **%** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 29.40 | | |
| DISTRIBUTION KWH | 500 | 0.0229 | $ | 11.45 | DISTRIBUTION KWH | 500 | 0.02943 | $ 14.71 | | |
| COST OF POWER KWH | 500 | 0.0761 | $ | 38.05 | COST OF POWER KWH | 500 | 0.0761 | $ 38.05 | | |
| CURRENT 2001 BILL | | | $ | 72.42 | Adjusted 2002 BILL | | | $ 82.16 | $ 9.74 | 13.5% |
| **MONTHLY CONSUMPTION OF** | **KWH** | **RATE** | **CHARGE** | | | **KWH** | **RATE** | **CHARGE** | **IMPACT** | **IMPACT** |
| **750 kWh** | **(enter)** | **$/KWH** | **$** | | | | **$/KWH** | **$** | **DOLLARS** | **%** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 29.40 | | |
| DISTRIBUTION KWH | 750 | 0.0229 | $ | 17.18 | DISTRIBUTION KWH | 750 | 0.02943 | $ 22.07 | | |
| COST OF POWER KWH | 750 | 0.0761 | $ | 57.08 | COST OF POWER KWH | 750 | 0.0761 | $ 57.08 | | |
| CURRENT 2001 BILL | | | $ | 97.17 | Adjusted 2002 BILL | | | $ 108.54 | $ 11.37 | 11.7% |
| **MONTHLY CONSUMPTION OF** | **KWH** | **RATE** | **CHARGE** | | | **KWH** | **RATE** | **CHARGE** | **IMPACT** | **IMPACT** |
| **1000 kWh** | **(enter)** | **$/KWH** | **$** | | | | **$/KWH** | **$** | **DOLLARS** | **%** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 29.40 | | |
| DISTRIBUTION KWH | 1000 | 0.0229 | $ | 22.90 | DISTRIBUTION KWH | 1000 | 0.02943 | $ 29.43 | | |
| COST OF POWER KWH | 1000 | 0.0761 | $ | 76.10 | COST OF POWER KWH | 1000 | 0.0761 | $ 76.10 | | |
| CURRENT 2001 BILL | | | $ | 121.92 | Adjusted 2002 BILL | | | $ 134.93 | $ 13.01 | 10.7% |
| **MONTHLY CONSUMPTION OF** | **KWH** | **RATE** | **CHARGE** | | | **KWH** | **RATE** | **CHARGE** | **IMPACT** | **IMPACT** |
| **1500 kWh** | **(enter)** | **$/KWH** | **$** | | | | **$/KWH** | **$** | **DOLLARS** | **%** |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 29.40 | | | |
| | DISTRIBUTION KWH | 1500 | 0.0229 | $ | 34.35 | | DISTRIBUTION KWH | 1500 | 0.02943 | $ | 44.14 | | | |
| | COST OF POWER KWH | 1500 | 0.0761 | $ | 114.15 | | COST OF POWER KWH | 1500 | 0.0761 | $ | 114.15 | | | |
| | CURRENT 2001 BILL | | | $ | 171.42 | | Adjusted 2002 BILL | | | $ | 187.69 | $ | 16.27 | 9.5% |

| **MONTHLY CONSUMPTION OF 2000 kWh** | | **KWH (enter)** | **RATE $/KWH** | **CHARGE $** | | | **KWH** | **RATE $/KWH** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ 22.92 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ 29.40 | | |
| | DISTRIBUTION KWH | 2000 | 0.0229 | $ 45.80 | | DISTRIBUTION KWH | 2000 | 0.02943 | $ 58.86 | | |
| | COST OF POWER KWH | 2000 | 0.0761 | $ 152.20 | | COST OF POWER KWH | 2000 | 0.0761 | $ 152.20 | | |
| | CURRENT 2001 BILL | | | $ 220.92 | | Adjusted 2002 BILL | | | $ 240.46 | $ 19.54 | 8.8% |

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## 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 | $ - | | 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 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! |

| **MONTHLY CONSUMPTION 5000 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 | 5000 | 0.0000 | $ - | | DISTRIBUTION KWH | 5000 | #DIV/0! | #DIV/0! | | |
| | COST OF POWER KWH | 5000 | 0.0000 | $ - | | COST OF POWER KWH | 5000 | 0.0000 | $ - | | |
| | CURRENT 2001 BILL | | | $ - | | Adjusted 2002 BILL | | | #DIV/0! | #DIV/0! | #DIV/0! |

| **MONTHLY CONSUMPTION 10,000 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 | 10000 | 0.0000 | $ - | | DISTRIBUTION KWH | 10000 | #DIV/0! | #DIV/0! | | |
| | COST OF POWER KWH | 10000 | 0.0000 | $ - | | COST OF POWER KWH | 10000 | 0.0000 | $ - | | |
| | CURRENT 2001 BILL | | | $ - | | Adjusted 2002 BILL | | | #DIV/0! | #DIV/0! | #DIV/0! |

| **MONTHLY CONSUMPTION 20,000 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 | 20000 | 0.0000 | $ - | | DISTRIBUTION KWH | 20000 | #DIV/0! | #DIV/0! | | |
| | COST OF POWER KWH | 20000 | 0.0000 | $ - | | COST OF POWER KWH | 20000 | 0.0000 | $ - | | |

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

**GENERAL SERVICE > 50 KW NON TIME OF USE**

**ENTER DESIRED CONSUMPTION LEVEL**

| | CURRENT 2001 BILL | | | | 2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs) | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | $ - | | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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 $** | **WINTER** | **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 | $ - | | |
| | | **kWh** | **RATE $/kWh** | | | **kWh** | **RATE $/kWh** | | | |
| COST OF POWER WINTER PEAK | | 20,000 | 0.0000 | $ - | COST OF POWER 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 $ | | KW | RATE $/kW | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kW | 4000 | 0.0000 | $ - | DISTRIBUTION kW | 4000 | #DIV/0! | #DIV/0! | | |
| kW COST OF POWER Demand Charge | 4000 | 0.0000 | $ - | kW COST OF POWER 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 $ | | KW | RATE $/kW | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kW | 4000 | 0.0000 | $ - | DISTRIBUTION kW | 4000 | #DIV/0! | #DIV/0! | | |
| kW COST OF POWER Demand Charge | 4000 | 0.0000 | $ - | kW COST OF POWER 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, 1/3 Incremental MARR, 2001 & 2002 PILs)**

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

**WINTER**

| | KW | RATE $/kW | CHARGE $ | | KW | RATE $/kW | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kW | 6000 | 0.0000 | $ - | DISTRIBUTION kW | 6000 | #DIV/0! | #DIV/0! | | |
| kW COST OF POWER Demand Charge | 6000 | 0.0000 | $ - | kW COST OF POWER Demand Charge | 6000 | 0.0000 | $ - | | |
| | | **RATE** | | | | **RATE** | | | |
| COST OF POWER | **kWh** | **$/kWh** | | COST OF POWER | **kWh** | **$/kWh** | | | |
| WINTER PEAK | ####### | 0.0000 | $ - | WINTER PEAK | ####### | 0.0000 | $ - | | |
| WINTER OFF PEAK | ####### | 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 | ####### | 0.0000 | $ - | SUMMER PEAK | ####### | 0.0000 | $ - | | |
| SUMMER OFF PEAK | ####### | 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! |

| 2001 Statistics by Class | kW | kWh | Number of Customers (Connections) | Distribution Revenues | 2001 Revenue Shares | 2002 Z-Factor for Recovery |
|---|---|---|---|---|---|---|
| - | - | 35,918,603 | 3,738 | $847,284.33 | 45.58% | 103784.3314 |
| - | - | 8,277,712 | 369 | $164,074.07 | 8.83% | 20097.52513 |
| GENERAL SERVICE >50 KW NON TIME OF USE | 40,318 | - | 27 | $137,051.31 | 7.37% | 16787.49221 |
| GENERAL SERVICE >50 KW TIME OF USE | 0 | - | 0 | $0.00 | 0.00% | 0 |
| INTERMEDIATE USE | 0 | - | 0 | $0.00 | 0.00% | 0 |
| LARGE USER CLASS | 0 | - | 0 | $0.00 | 0.00% | 0 |
| SENTINEL LIGHTS | 137 | - | 76 | $652.82 | 0.04% | 79.96428689 |
| STREET LIGHTING CLASS | 1,752 | - | 941 | $3,924.86 | 0.21% | 480.7582964 |
| - | - | 2,440,425 | 148 | $54,144.53 | 2.91% | 6632.19376 |
| - | - | 6,399,094 | 250 | $106,756.89 | 5.74% | 13076.71153 |
| GENERAL SERVICE >50 KW NON TIME OF USE | 49,007 | - | 22 | $139,730.27 | 7.52% | 17115.63887 |
| - | - | 5,890,210 | 1,132 | $405,200.89 | 21.80% | 49633.28319 |
| **TOTALS** | | | | $1,858,819.98 | 100.00% | $227,687.90 |
| | | | | | | $227,687.90 |

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

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 8-Apr-02 | | |

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.

### SUBURBAN SEASONAL RESIDENTIAL

| | | % change from Yr1: |
|---|---|---|
| DISTRIBUTION KWH RATE | $0.03200 | 39.732% |
| MONTHLY SERVICE CHARGE (Per Customer) | $31.93783 | 39.345% |
| COST OF POWER KWH RATE | $0.07610 | |

### RESIDENTIAL (TIME OF USE)

| | | | | |
|---|---|---|---|---|
| DISTRIBUTION KWH RATE | $0.03200 | | | |
| MONTHLY SERVICE CHARGE (Per Customer) | $31.93783 | | | |
| 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 | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | #DIV/0! |
| COST OF POWER KWH RATE | $0.000000 |

### GENERAL SERVICE < 50 KW (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 (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<br>$/KW | SUMMER PEAK<br>$/KW |
| | $0.0000 | $0.0000 |

## SHEET 13 - Transition Cost Adder Calculation

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 8-Apr-02 | | |

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: $ -

Adjusted Jan 7/02

| 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** | $ - | | $ - | | $ - | | $ - | | $ - | | $ - | | $ - | | $ - | | $ - | | $ - | | #REF! |
| **RESIDENTIAL CLASS** | $ - | 45.58% | $ - | 45.58% | $ - | 45.58% | $ - | 45.58% | $ - | 45.58% | $ - | 45.58% | $ - | 45.58% | $ - | 45.58% | $ - | 45.58% | $ - | 45.58% | $ - |
| **GENERAL SERVICE <50 KW CLASS** | $ - | 8.83% | $ - | 8.83% | $ - | 8.83% | $ - | 8.83% | $ - | 8.83% | $ - | 8.83% | $ - | 8.83% | $ - | 8.83% | $ - | 8.83% | $ - | 8.83% | $ - |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | $ - | 7.37% | $ - | 7.37% | $ - | 7.37% | $ - | 7.37% | $ - | 7.37% | $ - | 7.37% | $ - | 7.37% | $ - | 7.37% | $ - | 7.37% | $ - | 7.37% | $ - |
| **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** | $ - | 0.04% | $ - | 0.04% | $ - | 0.04% | $ - | 0.04% | $ - | 0.04% | $ - | 0.04% | $ - | 0.04% | $ - | 0.04% | $ - | 0.04% | $ - | 0.04% | $ - |
| **STREET LIGHTING CLASS** | $ - | 0.21% | $ - | 0.21% | $ - | 0.21% | $ - | 0.21% | $ - | 0.21% | $ - | 0.21% | $ - | 0.21% | $ - | 0.21% | $ - | 0.21% | $ - | 0.21% | $ - |
| **TOTALS** | | 62.03% | | 62.03% | | 62.03% | | 62.03% | | 62.03% | | 62.03% | | 62.03% | | 62.03% | | 62.03% | | 62.03% | |

| **2001 St** | **kW** | **kWh** | **Number of Customers (Connections)** | **Distribution Revenues** | **2001 Revenue Shares** | **2002 Transition Costs for Recovery** |
|---|---|---|---|---|---|---|
| | | | | | | $ - |
| **RESIDENTI** | - | 35,918,603 | 3,738 | $847,284.33 | 45.58% | $ - |
| **GENERAL S** | - | 8,277,712 | 369 | $164,074.07 | 8.83% | $ - |
| **GENERAL S** | 40,318 | - | 27 | $137,051.31 | 7.37% | $ - |
| **GENERAL S** | 0 | - | - | $0.00 | 0.00% | $ - |
| **INTERMEDI** | 0 | - | - | $0.00 | 0.00% | $ - |
| **LARGE USE** | 0 | - | - | $0.00 | 0.00% | $ - |
| **SENTINEL L** | 137 | - | 76 | $652.82 | 0.04% | $ - |
| **STREET LIC** | 1,752 | - | 941 | $3,924.86 | 0.21% | $ - |
| **RESIDENTI** | - | 2,440,425 | 148 | $54,144.53 | 2.91% | $ - |
| **GENERAL S** | - | 6,399,094 | 250 | $106,756.89 | 5.74% | $ - |
| **GENERAL S** | 49,007 | - | 22 | $139,730.27 | 7.52% | $ - |
| **RESIDENTI** | - | 5,890,210 | 1,132 | $405,200.89 | 21.80% | $ - |
| **TOTALS** | | | | $1,858,819.98 | 100.00% | $ - |
| | | | | | | $ - |

| **2001 Statistics by Class** | **kW** | **kWh** | **Number of Customers** | **Distribution Revenues** | **2001 Revenue Shares** | **2002 Transition Costs for Recovery** |
|---|---|---|---|---|---|---|
| **RESIDENTIAL CLASS** | - | 35,918,603 | 3,738 | $847,284.33 | 45.58% | $ - |
| **GENERAL SERVICE <50 KW CLASS** | - | 8,277,712 | 369 | $164,074.07 | 8.83% | $ - |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | 40,318 | - | 27 | $137,051.31 | 7.37% | $ - |
| **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** | 137 | - | 76 | $652.82 | 0.04% | $ - |
| **STREET LIGHTING CLASS** | 1,752 | - | 941 | $3,924.86 | 0.21% | $ - |
| **TOTALS** | | | | $1,152,987.40 | 0.62 | - |
| | | | | | | $ - |

### 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 |
|---|---|---|---|
| | 0.572 | 0.428 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G42 above) | $ - | $ - | $ - |
| (B) RETAIL KWH | 35,918,603 | | |
| (C) NUMBER OF CUSTOMERS | | 3,738 | |
| (D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/( (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 Recovery |
|---|---|---|---|
| | 0.734 | 0.266 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G43 above) | $ - | $ - | $ - |
| (B) RETAIL KWH | 8,277,712 | | |
| (C) NUMBER OF CUSTOMERS | | 369 | |
| (D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/( (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 Recovery |
|---|---|---|---|
| | 0.951 | 0.049 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G44 above) | $ - | $ - | $ - |
| (B) RETAIL KW | 40,318 | | |
| (C) NUMBER OF CUSTOMERS | | 27 | |
| (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 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 | | #DIV/0! | |

(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)

**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 |
|---|---|---|---|
| | 0.090 | 0.910 | 100% |

| | | | |
|---|---|---|---|
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G48 above) | $ - | $ - | $ - |
| (B) RETAIL KW | 137 | | |
| (C) NUMBER OF CUSTOMERS | | 76 | |
| (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 |
|---|---|---|---|
| | 0.030 | 0.970 | 100% |

| | | | |
|---|---|---|---|
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G49 above) | $ - | $ - | $ - |
| (B) RETAIL KW | 1,752 | | |
| (C) NUMBER OF CUSTOMERS (Connections) | | 941 | |
| (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 13 - Transition Cost Adder Calculation

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 37354 | | |

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 | Adjusted Jan 7/02 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total** | | | | | | | | | | | | | | | | | | | | | $ - |
| **RESIDENTIAL CLASS** | $ - | 2.91% | $ - | 2.91% | $ - | 2.91% | $ - | 2.91% | $ - | 2.91% | $ - | 2.91% | $ - | 2.91% | $ - | 2.91% | $ - | 2.91% | $ - | 2.91% | $ - |
| **GENERAL SERVICE <50 KW CLASS** | $ - | 5.74% | $ - | 5.74% | $ - | 5.74% | $ - | 5.74% | $ - | 5.74% | $ - | 5.74% | $ - | 5.74% | $ - | 5.74% | $ - | 5.74% | $ - | 5.74% | $ - |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | $ - | 7.52% | $ - | 7.52% | $ - | 7.52% | $ - | 7.52% | $ - | 7.52% | $ - | 7.52% | $ - | 7.52% | $ - | 7.52% | $ - | 7.52% | $ - | 7.52% | $ - |
| **GENERAL SERVICE >50 KW TIME OF USE** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **INTERMEDIATE USE** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **LARGE USER CLASS** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **SENTINEL LIGHTS** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **STREET LIGHTING CLASS** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **TOTALS** | | 16.17% | | 16.17% | | 16.17% | | 16.17% | | 16.17% | | 16.17% | | 16.17% | | 16.17% | | 16.17% | | 16.17% | |
| | | | | | | | | | | | | | | | | | | | | | #REF! |

| 2001 Statistics by Class | kW | kWh | Number of Customers | Distribution Revenues | 2001 Revenue Shares | 2002 Transition Costs for Recovery |
|---|---|---|---|---|---|---|
| **RESIDENTIAL CLASS** | - | 2,440,425 | 148 | $54,144.53 | 18.01% | $ - |
| **GENERAL SERVICE <50 KW CLASS** | - | 6,399,094 | 250 | $106,756.89 | 35.51% | $ - |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | 49,007 | - | 22 | $139,730.27 | 46.48% | $ - |
| **GENERAL SERVICE >50 KW TIME OF USE** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **INTERMEDIATE USE** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **LARGE USER CLASS** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **SENTINEL LIGHTS** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **STREET LIGHTING CLASS** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **TOTALS** | | | | $300,631.69 | 1.00 | - |

#REF!

**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 |
|---|---|---|---|---|
| | | 0.624 | 0.376 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G42 above) | | $ - | $ - | $ - |
| (B) RETAIL KWH | 2,440,425 | | | |
| (C) NUMBER OF CUSTOMERS | | | 148 | |
| (D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/( (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 Recovery |
|---|---|---|---|---|
| | | 0.811 | 0.189 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G43 above) | | $ - | $ - | $ - |
| (B) RETAIL KWH | 6,399,094 | | | |
| (C) NUMBER OF CUSTOMERS | | | 250 | |
| (D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/( (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 Recovery |
|---|---|---|---|---|
| | | 0.971 | 0.029 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G44 above) | | $ - | $ - | $ - |
| (B) RETAIL KW | 49,007 | | | |
| (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 | |

**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) | | #REF! | #REF! | #REF! |

(B) RETAIL KW 0

(C) NUMBER OF CUSTOMERS -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #REF!
(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)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #REF!
(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)

**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) | #REF! | #REF! | #REF! |

(B) RETAIL KW 0

(C) NUMBER OF CUSTOMERS -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #REF!
(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)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #REF!
(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)

**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) | #REF! | #REF! | #REF! |

(B) RETAIL KW 0

(C) NUMBER OF CUSTOMERS -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #REF!
(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)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #REF!
(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)

**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 |
|---|---|---|---|
| | 0.000 | 1.000 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G48 above) | #REF! | #REF! | #REF! |

(B) RETAIL KW 0

(C) NUMBER OF CUSTOMERS -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #REF!
(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)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #REF!
(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)

**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 |
|---|---|---|---|
| | 0.000 | 1.000 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G49 above) | #REF! | #REF! | #REF! |
| (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) | #REF! | | |
| (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) | | #REF! | |

## SHEET 13 - Transition Cost Adder Calculation

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 37354 | | |

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**
**6 Staff Adjustment Activities**
**7 Regulatory Costs**
**8 Taxes**
**9 Regulatory Requirements**

**5 Retailer/Customer 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 | Adjusted Jan 7/02 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total** | $ 10,000.00 | | $ 20,000.00 | | $ 30,000.00 | | ######## | | ######## | | $ 30,000.00 | | $ 50,000.00 | | ######## | | ######## | | ######## | | $ 250,000.00 |
| **RESIDENTIAL CLASS** | $ - | 21.80% | $ - | 21.80% | $ - | 21.80% | $ - | 21.80% | $ - | 21.80% | $ - | 21.80% | $ - | 21.80% | $ - | 21.80% | $ - | 21.80% | $ - | 21.80% | $ - |
| **GENERAL SERVICE <50 KW CLASS** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **GENERAL SERVICE >50 KW TIME OF USE** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **INTERMEDIATE USE** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **LARGE USER CLASS** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **SENTINEL LIGHTS** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **STREET LIGHTING CLASS** | $ - | 0.00% | #REF! | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | $ - | 0.00% | #REF! |
| **TOTALS** | | 21.80% | | 21.80% | | 21.80% | | 21.80% | | 21.80% | | 21.80% | | 21.80% | | 21.80% | | 21.80% | | 21.80% | #REF! |

## 2001 Statistics by Class

| | kW | kWh | Number of Customers | Distribution Revenues | 2001 Revenue Shares | 2002 Transition Costs for Recovery |
|---|---|---|---|---|---|---|
| **RESIDENTIAL CLASS** | - | 5,890,210 | 1,132 | $405,200.89 | 100.00% | $ - |
| **GENERAL SERVICE <50 KW CLASS** | - | 0 | - | $0.00 | 0.00% | #REF! |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **GENERAL SERVICE >50 KW TIME OF USE** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **INTERMEDIATE USE** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **LARGE USER CLASS** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **SENTINEL LIGHTS** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **STREET LIGHTING CLASS** | 0 | - | - | $0.00 | 0.00% | #REF! |
| **TOTALS** | | | | $405,200.89 | 1.00 | - #REF! |

**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 |
|---|---|---|---|
| | 0.305 | 0.695 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G42 above) | $ - | $ - | $ - |
| (B) RETAIL KWH | 5,890,210 | | |
| (C) NUMBER OF CUSTOMERS | | 1,132 | |
| (D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/( (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 Recovery |
|---|---|---|---|
| | 0.000 | 1.000 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G43 above) | #REF! | #REF! | #REF! |
| (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 12 and the total new rate appears on the Rate Schedule on Sheet 14) | #REF! | | |
| (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) | | #REF! | |

**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 Recovery |
|---|---|---|---|
| | 0.000 | 1.000 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G44 above) | #REF! | #REF! | #REF! |
| (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) | #REF! | | |
| (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) | | #REF! | |

**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) | #REF! | #REF! | #REF! |
| (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) | #REF! | | |
| (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) | | #REF! | |

**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) | #REF! | #REF! | #REF! |
| (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) | #REF! | | |
| (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) | | #REF! | |

**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 | #REF! | #REF! | #REF! |

(Total in Cell G47 above)

(B) RETAIL KW 0

(C) NUMBER OF CUSTOMERS -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #REF!
(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)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #REF!
(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)

**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 |
|---|---|---|---|
| | 0.000 | 1.000 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G48 above) | #REF! | #REF! | #REF! |

(B) RETAIL KW 0

(C) NUMBER OF CUSTOMERS -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #REF!
(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)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #REF!
(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)

**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 |
|---|---|---|---|
| | 0.000 | 1.000 | 100% |
| (A) ALLOCATED 2002 Transition Costs (Total in Cell G49 above) | #REF! | #REF! | #REF! |

(B) RETAIL KW 0

(C) NUMBER OF CUSTOMERS (Connections) -

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #REF!
(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)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 #REF!
(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)

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

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 8-Apr-02 | | |

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.

### SUBURBAN SEASONAL RESIDENTIAL

| | | % change from Yr1: |
|---|---|---|
| DISTRIBUTION KWH RATE | $0.0320 | 39.732% |
| MONTHLY SERVICE CHARGE (Per Customer) | $31.9378 | 39.345% |
| COST OF POWER KWH RATE | $0.0761 | |

### RESIDENTIAL (TIME OF USE)

| | | | | |
|---|---|---|---|---|
| DISTRIBUTION KWH RATE | $0.0320 | | | |
| MONTHLY SERVICE CHARGE (Per Customer) | $31.9378 | | | |
| 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 | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | #DIV/0! |
| COST OF POWER KWH RATE | $0.000000 |

### GENERAL SERVICE < 50 KW (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 (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<br>$/KW | SUMMER PEAK<br>$/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** | Gravenhurst Hydro Electric Inc. | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | George McEachern | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | georgem@muskoka.com | | |
| **VERSION NUMBER** | 001 | | |
| **Date** | 8-Apr-02 | | |

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)

### SUBURBAN SEASONAL RESIDENTIAL CLASS

NON-TIME OF USE

| ENTER DESIRED CONSUMPTION LEVEL | CURRENT 2001 BILL | | | | 2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | KWH (enter) | RATE $/KWH | CHARGE $ | | KWH | RATE $/KWH | CHARGE $ | IMPACT DOLLARS | IMPACT % |
| **100 kWh** | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | n/a | n/a | $ | 31.94 | | |
| DISTRIBUTION KWH | 100 | 0.0229 | $ | 2.29 | 100 | 0.03200 | $ | 3.20 | | |
| COST OF POWER KWH | 100 | 0.0761 | $ | 7.61 | 100 | 0.0761 | $ | 7.61 | | |
| CURRENT 2001 BILL | | | $ | 32.82 | Adjusted 2002 BILL | | $ | 42.75 | $ 9.93 | 30.2% |
| **250 kWh** | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | n/a | n/a | $ | 31.94 | | |
| DISTRIBUTION KWH | 250 | 0.0229 | $ | 5.73 | 250 | 0.03200 | $ | 8.00 | | |
| COST OF POWER KWH | 250 | 0.0761 | $ | 19.03 | 250 | 0.0761 | $ | 19.03 | | |
| CURRENT 2001 BILL | | | $ | 47.67 | Adjusted 2002 BILL | | $ | 58.96 | $ 11.29 | 23.7% |
| **500 kWh** | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | n/a | n/a | $ | 31.94 | | |
| DISTRIBUTION KWH | 500 | 0.0229 | $ | 11.45 | 500 | 0.03200 | $ | 16.00 | | |
| COST OF POWER KWH | 500 | 0.0761 | $ | 38.05 | 500 | 0.0761 | $ | 38.05 | | |
| CURRENT 2001 BILL | | | $ | 72.42 | Adjusted 2002 BILL | | $ | 85.99 | $ 13.57 | 18.7% |
| **750 kWh** | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | n/a | n/a | $ | 31.94 | | |
| DISTRIBUTION KWH | 750 | 0.0229 | $ | 17.18 | 750 | 0.03200 | $ | 24.00 | | |
| COST OF POWER KWH | 750 | 0.0761 | $ | 57.08 | 750 | 0.0761 | $ | 57.08 | | |
| CURRENT 2001 BILL | | | $ | 97.17 | Adjusted 2002 BILL | | $ | 113.01 | $ 15.84 | 16.3% |
| **1000 kWh** | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | n/a | n/a | $ | 31.94 | | |
| DISTRIBUTION KWH | 1000 | 0.0229 | $ | 22.90 | 1000 | 0.03200 | $ | 32.00 | | |
| COST OF POWER KWH | 1000 | 0.0761 | $ | 76.10 | 1000 | 0.0761 | $ | 76.10 | | |
| CURRENT 2001 BILL | | | $ | 121.92 | Adjusted 2002 BILL | | $ | 140.04 | $ 18.12 | 14.9% |
| **1500 kWh** | | | | | | | | | |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 31.94 | | |
| DISTRIBUTION KWH | 1500 | 0.0229 | $ | 34.35 | | DISTRIBUTION KWH | 1500 | 0.03200 | $ | 48.00 | | |
| COST OF POWER KWH | 1500 | 0.0761 | $ | 114.15 | | COST OF POWER KWH | 1500 | 0.0761 | $ | 114.15 | | |
| CURRENT 2001 BILL | | | $ | 171.42 | | Adjusted 2002 BILL | | | $ | 194.09 | $ 22.67 | 13.2% |

| **MONTHLY CONSUMPTION OF 2000 kWh** | **KWH (enter)** | **RATE $/KWH** | **CHARGE $** | | | **KWH** | **RATE $/KWH** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 22.92 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION KWH | 2000 | 0.0229 | $ | 45.80 | DISTRIBUTION KWH | 2000 | 0.03200 | $ 64.00 | | |
| COST OF POWER KWH | 2000 | 0.0761 | $ | 152.20 | COST OF POWER KWH | 2000 | 0.0761 | $ 152.20 | | |
| CURRENT 2001 BILL | | | $ | 220.92 | Adjusted 2002 BILL | | | $ 248.13 | $ 27.21 | 12.3% |

IGNORE: NO "SUBURBAN SEASONAL"

**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 | $ | - | 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 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! |

| **MONTHLY CONSUMPTION 5000 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 | 5000 | 0.0000 | $ | - | DISTRIBUTION KWH | 5000 | #DIV/0! | #DIV/0! | | |
| COST OF POWER KWH | 5000 | 0.0000 | $ | - | COST OF POWER KWH | 5000 | 0.0000 | $ - | | |
| CURRENT 2001 BILL | | | $ | - | Adjusted 2002 BILL | | | #DIV/0! | #DIV/0! | #DIV/0! |

| **MONTHLY CONSUMPTION 10,000 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 | 10000 | 0.0000 | $ | - | DISTRIBUTION KWH | 10000 | #DIV/0! | #DIV/0! | | |
| COST OF POWER KWH | 10000 | 0.0000 | $ | - | COST OF POWER KWH | 10000 | 0.0000 | $ - | | |
| CURRENT 2001 BILL | | | $ | - | Adjusted 2002 BILL | | | #DIV/0! | #DIV/0! | #DIV/0! |

| **MONTHLY CONSUMPTION 20,000 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 | 20000 | 0.0000 | $ | - | DISTRIBUTION KWH | 20000 | #DIV/0! | #DIV/0! | | |
| COST OF POWER KWH | 20000 | 0.0000 | $ | - | COST OF POWER KWH | 20000 | 0.0000 | $ - | | |

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

**GENERAL SERVICE > 50 KW NON TIME OF USE**

**ENTER DESIRED CONSUMPTION LEVEL**

| | CURRENT 2001 BILL | | | | 2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs) | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | $ - | | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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** | ####### | 0.0000 | $ - | | COST OF POWER **KWH** | ####### | 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 $** | **WINTER** | **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 | $ - | | |
| | | **kWh** | **RATE $/kWh** | | | **kWh** | **RATE $/kWh** | | | |
| COST OF POWER WINTER PEAK | | 20,000 | 0.0000 | $ - | COST OF POWER 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 $ | | KW | RATE $/kW | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kW | 4000 | 0.0000 | $ - | DISTRIBUTION kW | 4000 | #DIV/0! | #DIV/0! | | |
| kW COST OF POWER Demand Charge | 4000 | 0.0000 | $ - | kW COST OF POWER 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 $ | | KW | RATE $/kW | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kW | 4000 | 0.0000 | $ - | DISTRIBUTION kW | 4000 | #DIV/0! | #DIV/0! | | |
| kW COST OF POWER Demand Charge | 4000 | 0.0000 | $ - | kW COST OF POWER 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, 1/3 Incremental MARR, 2001 & 2002 PILs)**

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

**WINTER**

| | KW | RATE $/kW | CHARGE $ | | KW | RATE $/kW | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kW | 6000 | 0.0000 | $ - | DISTRIBUTION kW | 6000 | #DIV/0! | #DIV/0! | | |
| kW COST OF POWER Demand Charge | 6000 | 0.0000 | $ - | kW COST OF POWER Demand Charge | 6000 | 0.0000 | $ - | | |
| | | **RATE** | | | | **RATE** | | | |
| COST OF POWER | **kWh** | **$/kWh** | | COST OF POWER | **kWh** | **$/kWh** | | | |
| WINTER PEAK | ####### | 0.0000 | $ - | WINTER PEAK | ####### | 0.0000 | $ - | | |
| WINTER OFF PEAK | ####### | 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 | ####### | 0.0000 | $ - | SUMMER PEAK | ####### | 0.0000 | $ - | | |
| SUMMER OFF PEAK | ####### | 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! |

**Schedule of Rates and Charges**

**Gravenhurst Hydro Electric Inc.**

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 SUBURBAN SEASONAL**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $31.94 |
| Distribution Volumetric Rate | (per kWh) | $0.0320 |
| Cost of Power Rate | (per kWh) | $0.0761 |

**RESIDENTIAL (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $31.94 |
| Distribution Volumetric Rate | (per kWh) | $0.0320 |
| 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) | #DIV/0! |
| Distribution Volumetric Rate | (per kWh) | #DIV/0! |
| Cost of Power Rate | (per kWh) | $0.0000 |

**GENERAL SERVICE < 50 KW (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 |

## 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 |

**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

ADD 2002 OEB APPROVED MISCELLANEOUS CHARGES HERE

**Schedule of Rates and Charges**

**Gravenhurst Hydro Electric Inc.**

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 URBAN**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $12.17 |
| Distribution Volumetric Rate | (per kWh) | $0.0203 |
| Cost of Power Rate | (per kWh) | $0.0748 |

**GENERAL SERVICE < 50 KW URBAN**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.72 |
| Distribution Volumetric Rate | (per kWh) | $0.0207 |
| Cost of Power Rate | (per kWh) | $0.0737 |

**GENERAL SERVICE > 50 KW (Non Time of Use) URBAN**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $30.94 |
| Distribution Volumetric Rate | (per kW) | $5.5109 |
| Cost of Power Demand Rate | (per kW) | $1.8900 |
| Cost of Power Energy Rate | (per kWh) | $0.0655 |

**SENTINEL LIGHTS (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.90 |
| Distribution Volumetric Rate | (per kW) | $0.5580 |
| Cost of Power Demand Rate | (per kW) | $22.9400 |

**STREET LIGHTING (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.54 |
| Distribution Volumetric Rate | (per kW) | $0.0990 |
| Cost of Power - Winter | (per kW) | $33.3400 |
| Cost of Power - Summer | (per kW) | $12.5200 |

## Schedule of Rates and Charges

**RESIDENTIAL SUBURBAN**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $17.36 |
| Distribution Volumetric Rate | (per kWh) | $0.0209 |
| Cost of Power Rate | (per kWh) | $0.0761 |

**GENERAL SERVICE < 50 KW SUBURBAN**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.69 |
| Distribution Volumetric Rate | (per kWh) | $0.0219 |
| Cost of Power Rate | (per kWh) | $0.0750 |

**GENERAL SERVICE > 50 KW (Non Time of Use) SUBURBAN**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $29.22 |
| Distribution Volumetric Rate | (per kW) | $5.3451 |
| Cost of Power Demand Rate | (per kW) | $1.9200 |
| Cost of Power Energy Rate | (per kWh) | $0.0664 |

**RESIDENTIAL SUBURBAN SEASONAL**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $31.94 |
| Distribution Volumetric Rate | (per kWh) | $0.0320 |
| Cost of Power Rate | (per kWh) | $0.0761 |

**MISCELLANEOUS CHARGES**

ADD 2002 OEB APPROVED MISCELLANEOUS CHARGES HERE

| | |
|---|---|
| Late Payment (per month) | 1.50% |
| Returned cheque charge (actual bank charges plus | $ 9.00 |
| Collection of account charge | $ 9.00 |
| Reconnectin during regular working hours | $ 20.00 |
| Reconnection after regular working hours | $ 50.00 |
| Account set up charge | $ 10.00 |
| Arrears certificate charge | $ 15.00 |
| Instal/Remove Temporaty Service | $ 250.00 |
| Transformer Ownership Allowance (for connections prior to Jan 1, 2001) | $0.60 / kW |

## Schedule of Rates and Charges

<--$0.0748 per Jan 1/02 Rate Sch. & conssistent with RUD [was $0.0747 by LDC's RAM submission]

<--$0.0737 per Jan 1/02 Rate Sch. & conssistent with RUD [was $0.0736 by LDC's RAM submission]

<--$0.0655 per Jan 1/02 Rate Sch. & conssistent with RUD [was $0.0654 by LDC's RAM submission]

| | should be | | |
|---|---|---|---|
| <--$22.96 per Jan 1/02 Rate | $22.94 | $20.29 | Wrong |
| [but $22.94 is consistent with RUD] | | | |

<--$33.37 per Jan 1/02 R.S. , but $33.34 is consistent with RUD + Jun 1/02 COP increase
<--$12 54 per Jan 1/02 R.S.; but $12.52 closer to $12.51 per RUD + Jun 1/02 COP increase

<-----OK
<-----OK
<-----OK
<-----OK
<-----OK
<-----OK
<-----OK
<-----OK

<-----OK

## SHEET 1 - December 31, 2002 Regulatory Assets

V1

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-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 | | $137,289 |
| RSVA - Retail Transmission Network Charge | 1584 | | $10,242 |
| RSVA - Retail Transmission Connection Charge | 1586 | | -$4,800 |
| RSVA - Power | 1588 | | -$287,628 |
| **Sub-Total** | | | -$144,897 |
| RSVA - One-time Wholesale Market Service | 1582 | | $5,291 |
| Other Regulatory Assets | 1508 | | $0 |
| Retail Cost Variance Account - Retail | 1518 | | $16,535 |
| Retail Cost Variance Account - STR | 1548 | | $3,585 |
| Misc. Deferred Debits - incl. Rebate Cheques | 1525 | | $32,413 |
| Deferred Payments in Lieu of Taxes | 1562 | | $245,684 |
| PILs Contra Account | 1563 | | |
| Qualifing Transition Costs | 1570 | | $102,687 |
| Pre-Market Opening Energy Variances Total | 1571 | | $283,367 |
| Pre-Market Opening Energy Variances - 2001 | | $187,858 | |
| Pre-Market Opening Energy Variances - 2002 | | $95,509 | |
| Extra-Ordinary Event Losses | 1572 | | $0 |
| Deferred Rate Impact Amounts | 1574 | | $0 |
| Other Deferred Credits | 2425 | | $0 |

| | | | |
|---|---|---|---|
| **Total Applied-for Regulatory Assets** | **(a)** | $544,667 | |
| **(1) Total of 4 RSVA Accounts** | **(b)** | -$144,897 | Approved for 2004 Final Recovery |
| **4 RSVA accounts as a percent of total: (b) / (a)** | | -26.6% | |
| **(2) 25 % of (a)** | **(c)** | $136,167 | |

**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)** | $136,167 | Approved for Final 2004 Rate Recovery |
| **Gross Up for Recovery over 11 months: Amount (c) x 12/11** | $148,545 | Enter this amount on Sheet 3 (Therefore, entry on Sheet 5 is zero.) |
| **Remaining Final Amount to be recovered in future periods (b) - (c)** | -$281,063 | 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)** | | $136,167 | Approved for 2004 Rate Recovery |
| **Final 4 RSVA Amount as shown at (b)** | | -$144,897 | |
| **Gross Up for Recovery over 11 months: Amount (b) x 12/11** | | -$158,069 | Enter this amount on Sheet 3 |
| **Interim Amount to be recovered (c) - (b)** | **(d)** | $281,063 | |
| **Gross Up for Recovery over 11 months: Amount (d) x 12/11** | | $306,615 | Enter this amount on Sheet 5 |
| **Total Final + Interim Amount for Recovery (b) + (d) (no gross up)** | | $136,167 | |

## 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

V3

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-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 | $0.0158 |
| MONTHLY SERVICE CHARGE (Per Customer) | $9.48 |

### RESIDENTIAL (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0000 |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### GENERAL SERVICE < 50 KW

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0158 |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.44 |

### GENERAL SERVICE > 50 KW (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $4.4327 |
| MONTHLY SERVICE CHARGE (Per Customer) | $24.05 |

### GENERAL SERVICE > 50 KW (TIME OF USE)

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

### Interval Metered

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

### GENERAL SERVICE INTERMEDIATE USE

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

### LARGE USE

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

## SENTINEL LIGHTS (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.4150 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.69 |

**OR**

## SENTINEL LIGHTS (TIME OF USE)

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

## STREET LIGHTING (NON TIME OF USE)

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

**OR**

## STREET LIGHTING (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.0766 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.43 |

## Unmetered Scattered Loads

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0158 |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.44 |

## RESIDENTIAL - Suburban

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0163 |
| MONTHLY SERVICE CHARGE (Per Customer) | $13.54 |

## GENERAL SERVICE < 50 KW - Suburban

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0174 |
| MONTHLY SERVICE CHARGE (Per Customer) | $11.44 |

## GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

| | |
|---|---|
| DISTRIBUTION KW RATE | $4.4223 |
| MONTHLY SERVICE CHARGE (Per Customer) | $24.03 |

## RESIDENTIAL - Suburban Seasonal

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0250 |
| MONTHLY SERVICE CHARGE (Per Customer) | $25.02 |

## 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.

**Customer Administration**

| | | | |
|---|---|---|---|
| Account set up charge | | $ | 10.00 |
| Arrears certificate charge | | $ | 15.00 |
| **Non-Payment of Account** | | | |
| Late Penalty (Overdue Account Interest | (per month) | | 1.50% |
| Charge) on unpaid balance | (per annum) | | 19.56% |
| Returned cheque - Actual bank charges plus | | $ | 9.00 |
| Collection of Account Charge | | $ | 9.00 |
| Disconnect/Reconnect Charges (non payment of account) | | | |
| During Regular Hours | | $ | 20.00 |
| During After Hours | | $ | 50.00 |
| Install / Remove Temporaty Service | | $ | 250.00 |
| Transformer Ownership Allowance (for connections prior to Jan 1, 2001) | (per kW) | $ | 0.60 |

## SHEET 3 - Calculating Rate Increases using 2002 LDC Data and adding the 4 major 2004 RSVA related Approve

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-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. $ (158,069.16)
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** | | 27,738,282 | 2,834 | $858,603.24 | 30.2% | -47748.04464 |
| **GENERAL SERVICE <50 KW CLASS** | | 11,556,921 | 374 | $219,924.19 | 12.6% | -19893.81966 |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | 43,952 | 14,365,597 | 29 | $161,535.72 | 15.6% | -24728.6097 |
| **GENERAL SERVICE >50 KW TIME OF USE** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **Interval Metered** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **INTERMEDIATE USE** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **LARGE USER CLASS** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **SENTINEL LIGHTS** | 162 | 58,459 | 85 | $646.71 | 0.1% | -100.6299865 |
| **STREET LIGHTING CLASS** | 1,717 | 554,567 | 911 | $4,164.27 | 0.6% | -954.6189585 |
| **Unmetered Scattered Loads** | | | | | 0.0% | 0 |
| **RESIDENTIAL CLASS - Suburban** | | 8,960,743 | 655 | $252,853.58 | 9.8% | -15424.81819 |
| **GENERAL SERVICE <50 KW CLASS - Suburban** | | 3,538,773 | 260 | $137,129.37 | 3.9% | -6091.562959 |
| **GENERAL SERVICE >50 KW NON TIME OF USE-Suburban** | 47,091 | 14,596,542 | 27 | $167,274.45 | 15.9% | -25126.15378 |
| **RESIDENTIAL CLASS - Suburban Seasonal** | - | 10,457,268 | 1,608 | $835,817.27 | 11.4% | -18000.90212 |
| **TOTALS** | | 91,827,152 | 6,783 | $ 2,637,948.80 | 1.00 | $ (158,069.16) |
| | | Allocated Total for 4 major RSVA accounts ==> | | | | $ (158,069.16) |

### 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) | $ (47,748.04) | $ - | $ (47,748.04) |
| (B) RETAIL kWh in 2002 | 27,738,282 | | |
| (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) | ($0.001721) | | |

### General Service <50kW Class

Regulatory Assets will be recovered only in the distribution kWh 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 G23 above) | $ (19,893.82) | $ - | $ (19,893.82) |
| (B) RETAIL kWh in 2002 | 11,556,921 | | |
| (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) | ($0.001721) | | |

**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) | $ (24,728.61) | $ - | $ (24,728.61) |
| (B) RETAIL KW in 2002 | 43,952 | | |
| (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) | ($0.562633) | | |

**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! | | |

**Interval Metered**

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) | #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)

**Intermediate Class**

Regulatory Assets will be recovered only in the distribution kW 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 G26 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! | | |

**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 4 RSVA Regulatory Asset Recovery |
|---|---|---|---|
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G27 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! | | |

**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 4 RSVA Regulatory Asset Recovery |
|---|---|---|---|
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G28 above) | $ (100.63) | $ - | $ (100.63) |
| (B) RETAIL KW in 2002 | 162 | | |
| (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) | ($0.619696) | | |

**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) | $ (954.62) | $ - | $ (954.62) |
| (B) RETAIL KW in 2002 | 1,717 | | |
| (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) | ($0.555916) | | |

**Unmetered Scattered Loads**

Regulatory Assets will be recovered only in the distribution kWh 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 G22 above) | $ - | $ - | $ - |
| (B) RETAIL kWh in 2002 | 0 | | |
| (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) | #DIV/0! | | |

**Residential Class - Suburban**

Regulatory Assets will be recovered only in the distribution kWh 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 G22 above) | $ (15,424.82) | $ - | $ (15,424.82) |
| (B) RETAIL kWh in 2002 | 8,960,743 | | |
| (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) | ($0.001721) | | |

**General Service <50kW Class - Suburban**

Regulatory Assets will be recovered only in the distribution kWh 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 G23 above) | $ (6,091.56) | $ - | $ (6,091.56) |
| (B) RETAIL kWh in 2002 | 3,538,773 | | |
| (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) | ($0.001721) | | |

**General Service >50kW Class Non TOU - Suburban**

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) | $ (25,126.15) | $ - | $ (25,126.15) |
| (B) RETAIL KW in 2002 | 47,091 | | |
| (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) | ($0.533570) | | |

**Residential Class - Suburban Seasonal**

Regulatory Assets will be recovered only in the distribution kWh 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 G22 above) | $ (18,000.90) | $ - | $ (18,000.90) |
| (B) RETAIL kWh in 2002 | 10,457,268 | | |
| (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) | ($0.001721) | | |

## SHEET 4 - 2004 Rates including 2004 Recovery of the 4 Major RSVA Accounts

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-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 | $0.0141 |
| MONTHLY SERVICE CHARGE (Per Customer) | $9.48 |

### RESIDENTIAL (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KWH RATE | -$0.0017 |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### GENERAL SERVICE < 50 KW

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0141 |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.44 |

### GENERAL SERVICE > 50 KW (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $3.8700 |
| MONTHLY SERVICE CHARGE (Per Customer) | $24.05 |

### GENERAL SERVICE > 50 KW (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### Interval Metered

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### GENERAL SERVICE INTERMEDIATE USE

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### LARGE USE

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

## SENTINEL LIGHTS (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | -$0.2047 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.69 |

**OR**

## SENTINEL LIGHTS (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | -$0.6197 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.00 |

## STREET LIGHTING (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | -$0.5559 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.00 |

**OR**

## STREET LIGHTING (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | -$0.4793 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.43 |

## Unmetered Scattered Loads

| | |
|---|---|
| DISTRIBUTION KWH RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.44 |

## RESIDENTIAL - Suburban

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0145 |
| MONTHLY SERVICE CHARGE (Per Customer) | $13.54 |

## GENERAL SERVICE < 50 KW - Suburban

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0156 |
| MONTHLY SERVICE CHARGE (Per Customer) | $11.44 |

## GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

| | |
|---|---|
| DISTRIBUTION KW RATE | $3.8887 |
| MONTHLY SERVICE CHARGE (Per Customer) | $24.03 |

## RESIDENTIAL - Suburban Seasonal

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0233 |
| MONTHLY SERVICE CHARGE (Per Customer) | $25.02 |

## SHEET 5 - Calculating Rate Increases using 2002 LDC Data and additional Interim Regulatory Assets

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-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. $ 306,614.57

| 2002 Statistics by Class | kW | kWh | Number of Customers (Connections) | Distribution Revenues | 2002 Dist. Rev. Shares | 2002 Interim Reg. Asset Allocations |
|---|---|---|---|---|---|---|
| **RESIDENTIAL CLASS** | - | 27,738,282 | 2,834 | $858,603.24 | 32.5% | 99797.33706 |
| **GENERAL SERVICE <50 KW CLASS** | - | 11,556,921 | 374 | $219,924.19 | 8.3% | 25562.27078 |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | 43,952 | 14,365,597 | 29 | $161,535.72 | 6.1% | 18775.6509 |
| **GENERAL SERVICE >50 KW TIME OF USE** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **Interval Metered** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **INTERMEDIATE USE** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **LARGE USER CLASS** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **SENTINEL LIGHTS** | 162 | 58,459 | 85 | $646.71 | 0.0% | 75.1685212 |
| **STREET LIGHTING CLASS** | 1,717 | 554,567 | 911 | $4,164.27 | 0.2% | 484.0222322 |
| **Unmetered Scattered Loads** | - | 0 | 0 | $0.00 | 0.0% | 0 |
| **RESIDENTIAL CLASS - Suburban** | - | 8,960,743 | 655 | $252,853.58 | 9.6% | 29389.72598 |
| **GENERAL SERVICE <50 KW CLASS - Suburban** | - | 3,538,773 | 260 | $137,129.37 | 5.2% | 15938.84733 |
| **GENERAL SERVICE >50 KW NON TIME OF USE-Suburban** | 47,091 | 14,596,542 | 27 | $167,274.45 | 6.3% | 19442.67607 |
| **RESIDENTIAL CLASS - Suburban Seasonal** | - | 10,457,268 | 1,608 | $835,817.27 | 31.7% | 97148.87381 |
| **TOTALS** | | 91,827,152 | 6,783 | $2,637,948.80 | 1.00 | $ 306,614.57 |
| | | Allocated Total for additional interim amounts ==> | | | | $ 306,614.57 |

### 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) | $ 99,797.34 | $ - | $ 99,797.34 |
| (B) RETAIL kWh in 2002 | 27,738,282 | | |
| (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) | $0.003598 | | |

### General Service <50kW Class

Regulatory Assets will be recovered only in the distribution kWh charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery |
|---|---|---|---|

| | | | |
|---|---|---|---|
| | Percentage | Percentage | |
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above) | $ 25,562.27 | $ - | $ 25,562.27 |
| (B) RETAIL kWh in 2002 | 11,556,921 | | |
| (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) | $0.002212 | | |

**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 Interim Regulatory Asset Recovery |
|---|---|---|---|
| | Percentage | Percentage | |
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above) | $ 18,775.65 | $ - | $ 18,775.65 |
| (B) RETAIL KW in 2002 | 43,952 | | |
| (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) | $0.427189 | | |

**General Service >50kW ClassTOU**

Regulatory Assets will be recovered only in the distribution kW charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery |
|---|---|---|---|
| | Percentage | Percentage | |
| | 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! | | |

**Interval metered**

Regulatory Assets will be recovered only in the distribution kW charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery |
|---|---|---|---|
| | Percentage | Percentage | |
| | 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) | #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)

**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 | 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! | | |

**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 | 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! | | |

**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) | $ 75.17 | $ - | $ 75.17 |
| (B) RETAIL KW in 2002 | 162 | | |
| (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) | $0.462900 | | |

**Streetlighting Class**

Regulatory Assets will be recovered only in the distribution kW charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery |
|---|---|---|---|
| | Percentage | Percentage | |
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G29 above) | $ 484.02 | $ - | $ 484.02 |
| (B) RETAIL KW in 2002 | 1,717 | | |
| (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) | $0.281867 | | |

**Unmetered Scattered Loads**

Regulatory Assets will be recovered only in the distribution kWh charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery |
|---|---|---|---|
| | Percentage | Percentage | |
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above) | $ - | $ - | $ - |
| (B) RETAIL kWh in 2002 | 0 | | |
| (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) | #DIV/0! | | |

**Residential Class - Suburban**

Regulatory Assets will be recovered only in the distribution kWh charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery |
|---|---|---|---|
| | Percentage | Percentage | |
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above) | $ 29,389.73 | $ - | $ 29,389.73 |
| (B) RETAIL kWh in 2002 | 8,960,743 | | |
| (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) | $0.003280 | | |

**General Service <50kW Class - Suburban**

Regulatory Assets will be recovered only in the distribution kWh charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery |
|---|---|---|---|

| | | | |
|---|---|---|---|
| | Percentage | Percentage | |
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above) | $ 15,938.85 | $ - | $ 15,938.85 |
| (B) RETAIL kWh in 2002 | 3,538,773 | | |
| (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) | $0.004504 | | |

**General Service >50kW Class Non TOU - Suburban**

Regulatory Assets will be recovered only in the distribution kW charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery |
|---|---|---|---|
| | Percentage | Percentage | |
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above) | $ 19,442.68 | $ - | $ 19,442.68 |
| (B) RETAIL KW in 2002 | 47,091 | | |
| (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) | $0.412878 | | |

**Residential Class - Suburban Seasonal**

Regulatory Assets will be recovered only in the distribution kWh charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery |
|---|---|---|---|
| | Percentage | Percentage | |
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above) | $ 97,148.87 | $ - | $ 97,148.87 |
| (B) RETAIL kWh in 2002 | 10,457,268 | | |
| (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) | $0.009290 | | |

## SHEET 6 - 2004 Rates including 2004 Recovery of Interim Regulatory Asset Amounts

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-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 | $0.0177 |
| MONTHLY SERVICE CHARGE (Per Customer) | $9.48 |

### RESIDENTIAL (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0019 |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### GENERAL SERVICE < 50 KW

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0163 |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.44 |

### GENERAL SERVICE > 50 KW (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $4.2972 |
| MONTHLY SERVICE CHARGE (Per Customer) | $24.05 |

### GENERAL SERVICE > 50 KW (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### Interval Metered

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### GENERAL SERVICE INTERMEDIATE USE

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### LARGE USE

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

## SENTINEL LIGHTS (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.2582 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.69 |

**OR**

## SENTINEL LIGHTS (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | -$0.1568 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.00 |

## STREET LIGHTING (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | -$0.2740 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.00 |

**OR**

## STREET LIGHTING (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | -$0.1974 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.43 |

## Unmetered Scattered Loads

| | |
|---|---|
| DISTRIBUTION KWH RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.44 |

## RESIDENTIAL - Suburban

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0178 |
| MONTHLY SERVICE CHARGE (Per Customer) | $13.54 |

## GENERAL SERVICE < 50 KW - Suburban

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0201 |
| MONTHLY SERVICE CHARGE (Per Customer) | $11.44 |

## GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

| | |
|---|---|
| DISTRIBUTION KW RATE | $4.3016 |
| MONTHLY SERVICE CHARGE (Per Customer) | $24.03 |

## RESIDENTIAL - Suburban Seasonal

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0326 |
| MONTHLY SERVICE CHARGE (Per Customer) | $25.02 |

## SHEET 7 - Calculating Rate Increases using 2002 LDC Data and the 2004 PILs Proxy

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-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. $ 328,177.53

| 2002 Statistics by Class | kW | kWh | Number of Customers (Connections) | Distribution Revenues | 2002 Dist. Rev. Shares | 2004 PILs Proxy Allocations |
|---|---|---|---|---|---|---|
| **RESIDENTIAL CLASS** | - | 27,738,282 | 2,834 | $858,603.24 | 32.5% | 106815.6792 |
| **GENERAL SERVICE <50 KW CLASS** | - | 11,556,921 | 374 | $219,924.19 | 8.3% | 27359.96167 |
| **GENERAL SERVICE >50 KW NON TIME OF USE** | 43,952 | 14,365,597 | 29 | $161,535.72 | 6.1% | 20096.06632 |
| **GENERAL SERVICE >50 KW TIME OF USE** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **Interval Metered** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **INTERMEDIATE USE** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **LARGE USER CLASS** | 0 | 0 | 0 | $0.00 | 0.0% | 0 |
| **SENTINEL LIGHTS** | 162 | 58,459 | 85 | $646.71 | 0.0% | 80.4548186 |
| **STREET LIGHTING CLASS** | 1,717 | 554,567 | 911 | $4,164.27 | 0.2% | 518.0615538 |
| **Unmetered Scattered Loads** | - | 0 | 0 | $0.00 | 0.0% | 0 |
| **RESIDENTIAL CLASS - Suburban** | - | 8,960,743 | 655 | $252,853.58 | 9.6% | 31456.58628 |
| **GENERAL SERVICE <50 KW CLASS - Suburban** | - | 3,538,773 | 260 | $137,129.37 | 5.2% | 17059.76185 |
| **GENERAL SERVICE >50 KW NON TIME OF USE-Suburban** | 47,091 | 14,596,542 | 27 | $167,274.45 | 6.3% | 20810.00067 |
| **RESIDENTIAL CLASS - Suburban Seasonal** | - | 10,457,268 | 1,608 | $835,817.27 | 31.7% | 103980.9603 |
| **TOTALS** | | 91,827,152 | 6,783 | $2,637,948.80 | 1.00 | $ 328,177.53 |
| | | Allocated Total for additional interim amounts ==> | | | | $ 328,177.53 |

### 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) | $ 106,815.68 | $ - | $ 106,815.68 |
| (B) RETAIL kWh in 2002 | 27,738,282 | | |
| (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) | $0.003851 | | |

### 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) | $ 27,359.96 | $ - | $ 27,359.96 |
| (B) RETAIL kWh in 2002 | 11,556,921 | | |
| (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) | $0.002367 | | |

**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) | $ 20,096.07 | $ - | $ 20,096.07 |
| (B) RETAIL KW in 2002 | 43,952 | | |
| (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) | $0.457232 | | |

**General Service >50kW ClassTOU**

The 2004 PILs proxy will be recovered only in the distribution kW 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! | | |

**Interval Metered**

The 2004 PILs proxy will be recovered only in the distribution kW 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 kW 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) | $ - | $ - | $ - |
| (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! | | |

**Large User Class**

The 2004 PILs proxy will be recovered only in the distribution kW 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 | 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! | | |

**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) | $ 80.45 | $ - | $ 80.45 |
| (B) RETAIL KW in 2002 | 162 | | |
| (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) | $0.495454 | | |

**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) | $ 518.06 | $ - | $ 518.06 |
| (B) RETAIL KW in 2002 | 1,717 | | |

| | |
|---|---|
| (D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B)<br>(this amount is added to the kW rate shown on Sheet 2 and<br>the total new rate appears on the Rate Schedule on Sheet 4) | $0.301690 |

**Unmetered Scattered Loads**

Regulatory Assets 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 Interim Regulatory Asset Recovery (Total in Cell G22 above) | $ - | $ - | $ - |
| (B) RETAIL kWh in 2002 | 0 | | |
| (D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B<br>(this amount is added to the kWh rate shown on Sheet 2 and<br>the total new rate appears on the Rate Schedule on Sheet 4) | #DIV/0! | | |

**Residential Class - Suburban**

Regulatory Assets 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 Interim Regulatory Asset Recovery (Total in Cell G22 above) | $ 31,456.59 | $ - | $ 31,456.59 |
| (B) RETAIL kWh in 2002 | 8,960,743 | | |
| (D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B<br>(this amount is added to the kWh rate shown on Sheet 2 and<br>the total new rate appears on the Rate Schedule on Sheet 4) | $0.003510 | | |

**General Service <50kW Class - Suburban**

Regulatory Assets 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 Interim Regulatory Asset Recovery (Total in Cell G23 above) | $ 17,059.76 | $ - | $ 17,059.76 |
| (B) RETAIL kWh in 2002 | 3,538,773 | | |
| (D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B<br>(this amount is added to the kWh rate shown on Sheet 2 and<br>the total new rate appears on the Rate Schedule on Sheet 4) | $0.004821 | | |

**General Service >50kW Class Non TOU - Suburban**

Regulatory Assets will be recovered only in the distribution kW charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2004 ALLOCATED PILs Proxy Recovery |
|---|---|---|---|
| | Percentage | Percentage | |
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above) | $ 20,810.00 | $ - | $ 20,810.00 |
| (B) RETAIL KW in 2002 | 47,091 | | |
| (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) | $0.441914 | | |

**Residential Class - Suburban Seasonal**

Regulatory Assets will be recovered only in the distribution kWh charge.

| | VARIABLE CHARGE RECOVERY | SERVICE CHARGE RECOVERY | TOTAL 2004 ALLOCATED PILs Proxy Recovery |
|---|---|---|---|
| | Percentage | Percentage | |
| | 1.000 | 0.000 | 100% |
| (A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above) | $ 103,980.96 | $ - | $ 103,980.96 |
| (B) RETAIL kWh in 2002 | 10,457,268 | | |
| (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) | $0.009943 | | |

## SHEET 8 - 2004 Rates including Recovery of 2004 PILs

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-04 | | |

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of 2004 PILs.

### RESIDENTIAL

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0216 |
| MONTHLY SERVICE CHARGE (Per Customer) | $9.48 |

### RESIDENTIAL (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0057 |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### GENERAL SERVICE < 50 KW

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0187 |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.44 |

### GENERAL SERVICE > 50 KW (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $4.7545 |
| MONTHLY SERVICE CHARGE (Per Customer) | $24.05 |

### GENERAL SERVICE > 50 KW (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### Interval Metered

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### GENERAL SERVICE INTERMEDIATE USE

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

### LARGE USE

| | |
|---|---|
| DISTRIBUTION KW RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $0.00 |

## SENTINEL LIGHTS (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.7536 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.69 |

**OR**

## SENTINEL LIGHTS (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.3387 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.00 |

## STREET LIGHTING (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.0276 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.00 |

**OR**

## STREET LIGHTING (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.1043 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.43 |

## Unmetered Scattered Loads

| | |
|---|---|
| DISTRIBUTION KWH RATE | #DIV/0! |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.44 |

## RESIDENTIAL - Suburban

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0213 |
| MONTHLY SERVICE CHARGE (Per Customer) | $13.54 |

## GENERAL SERVICE < 50 KW - Suburban

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0250 |
| MONTHLY SERVICE CHARGE (Per Customer) | $11.44 |

## GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

| | |
|---|---|
| DISTRIBUTION KW RATE | $4.7435 |
| MONTHLY SERVICE CHARGE (Per Customer) | $24.03 |

## RESIDENTIAL - Suburban Seasonal

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0425 |
| MONTHLY SERVICE CHARGE (Per Customer) | $25.02 |

## SHEET 9 - Adjustment to Maintain the Current Service Charge Level

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-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 | - | 27,738,282 | 2,834 | $12.17 |
| GENERAL SERVICE <50 KW CLASS | - | 11,556,921 | 374 | $13.72 |
| GENERAL SERVICE >50 KW NON TIME OF USE | 43,952 | 14,365,597 | 29 | $30.94 |
| GENERAL SERVICE >50 KW TIME OF USE | 0 | 0 | 0 | $0.00 |
| Interval Metered | 0 | 0 | 0 | $0.00 |
| INTERMEDIATE USE | 0 | 0 | 0 | $0.00 |
| LARGE USER CLASS | 0 | 0 | 0 | $0.00 |
| SENTINEL LIGHTS | 162 | 58,459 | 85 | $0.90 |
| STREET LIGHTING CLASS | 1,717 | 554,567 | 911 | $0.54 |
| Unmetered Scattered Loads | - | 0 | 0 | $13.72 |
| RESIDENTIAL CLASS - Suburban | - | 8,960,743 | 655 | $17.36 |
| GENERAL SERVICE <50 KW CLASS - Suburban | - | 3,538,773 | 260 | $13.69 |
| GENERAL SERVICE >50 KW NON TIME OF USE-Suburban | 47,091 | 14,596,542 | 27 | $29.22 |
| RESIDENTIAL CLASS - Suburban Seasonal | - | 10,457,268 | 1,608 | $31.94 |
| TOTALS | | 91,827,152 | 6,783 | |

### Residential Class

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $413,877 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $322,286 | |
| Difference | | $91,591 | |
| Variable Rate Adjustment | $/kWh | $ 0.0033 | |
| Adjusted Variable Rate | $/kWh | | $ 0.0183 |

### Residential Class (Time of Use)

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $413,877 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $322,286 | |
| Difference | | $91,591 | |
| Variable Rate Adjustment | $/kWh | $ 0.0033 | |
| Adjusted Variable Rate | $/kWh | | $ 0.0024 |

### General Service <50 kW Class

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $61,575 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $46,846 | |
| Difference | | $14,729 | |
| Variable Rate Adjustment | $/kWh | $ 0.0013 | |
| Adjusted Variable Rate | $/kWh | | $ 0.0174 |

### General Service >50 kW Class (Non Time of Use)

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $10,767 | |

| | | | |
|---|---|---|---|
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $8,370 | |
| Difference | | $2,397 | |
| Variable Rate Adjustment | $/kW | $ 0.0545 | |
| Adjusted Variable Rate | $/kW | | $ 4.6999 |

**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! |

**Interval Metered**

| | | | |
|---|---|---|---|
| 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 | | $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 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 | #DIV/0! | |
| Adjusted Variable Rate | $/kW | | #DIV/0! |

**SENTINEL LIGHTS (NON TIME OF USE)**

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $918 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $701 | |
| Difference | | $217 | |
| Variable Rate Adjustment | $/kW | 1.333846609 | |
| Adjusted Variable Rate | $/kW | | $ (0.5802) |

**OR**

**SENTINEL LIGHTS (TIME OF USE)**

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $918 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $0 | |
| Difference | | $918 | |
| Variable Rate Adjustment | $/kW | 5.653192836 | |
| Adjusted Variable Rate | $/kW | | $ (5.3145) |

**Streetlighting (Non Time of Use)**

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $5,903 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $0 | |
| Difference | | $5,903 | |

| | | | |
|---|---|---|---|
| Variable Rate Adjustment | $/kW | 3.4377 | |
| Adjusted Variable Rate | $/kW | | $ (3.4101) |

**OR**

## Streetlighting (Time of Use)

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $5,903 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $4,657 | |
| Difference | | $1,246 | |
| Variable Rate Adjustment | $/kW | 0.73 | |
| Adjusted Variable Rate | $/kW | | $ (0.6216) |

## Unmetered Scattered Loads

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $0 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $0 | |
| Difference | | $0 | |
| Variable Rate Adjustment | $/kWh | #DIV/0! | |
| Adjusted Variable Rate | $/kWh | | #DIV/0! |

## RESIDENTIAL - Suburban

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $136,450 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $106,413 | |
| Difference | | $30,036 | |
| Variable Rate Adjustment | $/kWh | 0.0033520 | |
| Adjusted Variable Rate | $/kWh | | 0.017981314 |

## GENERAL SERVICE < 50 KW - Suburban

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $42,713 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $35,700 | |
| Difference | | $7,013 | |
| Variable Rate Adjustment | $/kWh | 0.001981789 | |
| Adjusted Variable Rate | $/kWh | | 0.022981569 |

## GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $9,467 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $7,786 | |
| Difference | | $1,681 | |
| Variable Rate Adjustment | $/kW | 0.035705592 | |
| Adjusted Variable Rate | $/kW | | 4.707830148 |

## RESIDENTIAL - Suburban Seasonal

| | | | |
|---|---|---|---|
| Revenue from Current Monthly Service Charge | | $616,314 | |
| Revenue from Calculated Monthly Service Charge (Sheet 8) | | $482,874 | |
| Difference | | $133,440 | |
| Variable Rate Adjustment | $/kWh | 0.012760482 | |
| Adjusted Variable Rate | $/kWh | | 0.02975351 |

**Gravehurst Hydro Electric** RP-2004-0049
**Schedule of Distribution Rates and Charges** EB-2004-0035
Effective April 1, 2004 until February 28, 2005

**LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.**

**RESIDENTIAL**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $12.17 |
| Distribution Volumetric Rate | (per kWh) | $0.0183 |

**RESIDENTIAL (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $12.17 |
| Distribution Volumetric Rate | (per kWh) | $0.0024 |

**GENERAL SERVICE < 50 KW**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.72 |
| Distribution Volumetric Rate | (per kWh) | $0.0174 |

**GENERAL SERVICE > 50 KW (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $30.94 |
| Distribution Volumetric Rate | (per kW) | $4.6999 |

**GENERAL SERVICE > 50 KW (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.00 |
| Distribution Volumetric Rate | (per kW) | #DIV/0! |

**Interval Metered**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.00 |
| Distribution Volumetric Rate | (per kW) | #DIV/0! |

**GENERAL SERVICE INTERMEDIATE USE**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.00 |
| Distribution Volumetric Rate | (per kW) | #DIV/0! |

**LARGE USE**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.00 |
| Distribution Volumetric Rate | (per kW) | #DIV/0! |

**Gravehurst Hydro Electric** RP-2004-0049
**Schedule of Distribution Rates and Charges** EB-2004-0035
Effective April 1, 2004 until February 28, 2005
(continued)

**SENTINEL LIGHTS (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.90 |
| Distribution Volumetric Rate | (per kW) | -$0.5802 |

**SENTINEL LIGHTS (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.90 |
| Distribution Volumetric Rate | (per kW) | -$5.3145 |

**STREET LIGHTING (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.54 |
| Distribution Volumetric Rate | (per kW) | -$3.4101 |

**STREET LIGHTING (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.54 |
| Distribution Volumetric Rate | (per kW) | -$0.6216 |

**Unmetered Scattered Loads**
Billed at General Service <50 kW rates

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.72 |
| Distribution Volumetric Rate | (per kWh) | $0.0174 |

**RESIDENTIAL - Suburban**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $17.36 |
| Distribution Volumetric Rate | (per kWh) | $0.0180 |

**GENERAL SERVICE < 50 KW - Suburban**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.69 |
| Distribution Volumetric Rate | (per kWh) | $0.0230 |

## GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $29.22 |
| Distribution Volumetric Rate | (per kW) | $4.7078 |

## RESIDENTIAL - Suburban Seasonal

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $31.94 |
| Distribution Volumetric Rate | (per kWh) | $0.0298 |

## SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES HERE (as on Sheet 2)

| | | |
|---|---|---|
| **Customer Administration** | | |
| Account set up charge | | $ 10.00 |
| Arrears certificate charge | | $ 15.00 |
| **Non-Payment of Account** | | |
| Late Penalty (Overdue Account | (per month) | 1.50% |
| Interest Charge) on unpaid balance | (per annum) | 19.56% |
| Returned cheque - Actual bank charges plus | | $ 9.00 |
| Collection of Account Charge | | $ 9.00 |
| Disconnect/Reconnect Charges (non payment of account) | | |
| During Regular Hours | | $ 20.00 |
| During After Hours | | $ 50.00 |
| Install / Remove Temporaty Service | | $ 250.00 |
| Transformer Ownership Allowance | | |
| (for connections prior to Jan 1, | (per kW) | $ 0.60 |

## Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments

**(commodity price constant)**

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-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 P | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **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 | $ | 12.17 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |
| DISTRIBUTION kWh | 100 | 0.0203 | $ | 2.03 | | DISTRIBUTION kWh | 100 | 0.0183 | $ 1.83 | | |
| 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 | | | $ | 20.89 | | Adjusted 2004 BILL | | | $ 20.69 | $ (0.20) | -1.0% |
| **MONTHLY CONSUMPTION OF** | **kWh** | **RATE** | **CHARGE** | | | | **kWh** | **RATE** | **CHARGE** | **IMPACT** | **IMPACT** |
| **250 kWh** | **(enter)** | **$/kWh** | **$** | | | | | **$/kWh** | **$** | **DOLLARS** | **%** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |
| DISTRIBUTION kWh | 250 | 0.0203 | $ | 5.08 | | DISTRIBUTION kWh | 250 | 0.0183 | $ 4.56 | | |
| 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 | | | $ | 33.97 | | Adjusted 2004 BILL | | | $ 33.46 | $ (0.51) | -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 | $ | 12.17 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |
| DISTRIBUTION kWh | 500 | 0.0203 | $ | 10.15 | | DISTRIBUTION kWh | 500 | 0.0183 | $ 9.13 | | |
| 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 | | | $ | 55.77 | | Adjusted 2004 BILL | | | $ 54.75 | $ (1.02) | -1.8% |
| **MONTHLY CONSUMPTION OF** | **kWh** | **RATE** | **CHARGE** | | | | **kWh** | **RATE** | **CHARGE** | **IMPACT** | **IMPACT** |
| **750 kWh** | **(enter)** | **$/kWh** | **$** | | | | | **$/kWh** | **$** | **DOLLARS** | **%** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |
| DISTRIBUTION kWh | 750 | 0.0203 | $ | 15.23 | | DISTRIBUTION kWh | 750 | 0.0183 | $ 13.69 | | |
| 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 | | | $ | 77.57 | | Adjusted 2004 BILL | | | $ 76.04 | $ (1.53) | -2.0% |
| **MONTHLY CONSUMPTION OF** | **kWh** | **RATE** | **CHARGE** | | | | **kWh** | **RATE** | **CHARGE** | **IMPACT** | **IMPACT** |
| **1000 kWh** | **(enter)** | **$/kWh** | **$** | | | | | **$/kWh** | **$** | **DOLLARS** | **%** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kWh | 1000 | 0.0203 | $ | 20.30 | DISTRIBUTION kWh | 1000 | 0.0183 | $ | 18.26 | | |
| 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 | | | $ | 99.37 | Adjusted 2004 BILL | | | $ | 97.33 | $ (2.04) | -2.1% |

| **MONTHLY CONSUMPTION OF 1500 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | | |
| DISTRIBUTION kWh | 1500 | 0.0203 | $ | 30.45 | DISTRIBUTION kWh | 1500 | 0.0183 | $ | 27.39 | | |
| 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 | | | $ | 142.97 | Adjusted 2004 BILL | | | $ | 139.91 | $ (3.06) | -2.1% |

| **MONTHLY CONSUMPTION OF 2000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | | |
| DISTRIBUTION kWh | 2000 | 0.0203 | $ | 40.60 | DISTRIBUTION kWh | 2000 | 0.0183 | $ | 36.51 | | |
| 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 | | | $ | 186.57 | Adjusted 2004 BILL | | | $ | 182.48 | $ (4.09) | -2.2% |

## 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 P**

**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 | | $13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | | |
| DISTRIBUTION kWh | 1000 | 0.0207 | $ | 20.70 | DISTRIBUTION kWh | 1000 | 0.0174 | $ | 17.41 | | |
| 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 | | | $ | 100.32 | Adjusted 2004 BILL | | | $ | 97.03 | $ (3.29) | -3.3% |

| **MONTHLY CONSUMPTION 2000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | | |
| DISTRIBUTION kWh | 2000 | 0.0207 | $ | 41.40 | DISTRIBUTION kWh | 2000 | 0.0174 | $ | 34.83 | | |
| 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 | | | $ | 186.92 | Adjusted 2004 BILL | | | $ | 180.35 | $ (6.57) | -3.5% |

| **MONTHLY CONSUMPTION 5000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | | |
| DISTRIBUTION kWh | 5000 | 0.0207 | $ | 103.50 | DISTRIBUTION kWh | 5000 | 0.0174 | $ | 87.07 | | |
| 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 | | | $ | 446.72 | Adjusted 2004 BILL | | | $ | 430.29 | $ | (16.43) | -3.7% |

| **MONTHLY CONSUMPTION 10,000 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | |
| | DISTRIBUTION kWh | 10000 | 0.0207 | $ | 207.00 | DISTRIBUTION kWh | 10000 | 0.0174 | $ | 174.14 | |
| | 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 | | | $ | 879.72 | Adjusted 2004 BILL | | | $ | 846.86 | $ (32.86) | -3.7% |

| **MONTHLY CONSUMPTION 15,000 KWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | |
| | DISTRIBUTION kWh | 15000 | 0.0207 | $ | 310.50 | DISTRIBUTION kWh | 15000 | 0.0174 | $ | 261.22 | |
| | 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 | | | $ | 1,312.72 | Adjusted 2004 BILL | | | $ | 1,263.44 | $ (49.28) | -3.8% |

## 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 accura
Consumption has not been adjusted for line losses.

**CURRENT 2003 BILL** | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity P**

**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 | | $30.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 30.94 | | |
| DISTRIBUTION kW | 60 | 5.5109 | $ | 330.65 | DISTRIBUTION kW | 60 | 4.6999 | $ 282.00 | | |
| 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 | | | $ | 1,619.19 | Adjusted 2004 BILL | | | $ 1,570.54 | $ (48.66) | -3.0% |

| **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 | $ | 30.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 30.94 | |
| | DISTRIBUTION kW | 100 | 5.5109 | $ | 551.09 | DISTRIBUTION kW | 100 | 4.6999 | $ | 469.99 | |
| | 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 | | | $ | 3,701.03 | Adjusted 2004 BILL | | | $ | 3,619.93 | $ (81.10) | -2.2% |

| **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 | $ | 30.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 30.94 | |
| | DISTRIBUTION kW | 500 | 5.5109 | $ | 2,755.45 | DISTRIBUTION kW | 500 | 4.6999 | $ | 2,349.97 | |
| | 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 | | | $ 11,561.39 | Adjusted 2004 BILL | | | $ 11,155.91 | $ (405.48) | -3.5% |

| 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 | $ 30.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 30.94 | | |
| DISTRIBUTION kW | 1000 | 5.5109 | $ 5,510.90 | DISTRIBUTION kW | 1000 | 4.6999 | $ 4,699.93 | | |
| 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 | | | $ 36,731.84 | Adjusted 2004 BILL | | | $ 35,920.87 | $ (810.97) | -2.2% |

| 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 | $ 30.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 30.94 | | |
| DISTRIBUTION kW | 3000 | 5.5109 | $ 16,532.70 | DISTRIBUTION kW | 3000 | 4.6999 | $ 14,099.80 | | |
| 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 | | | $ 96,493.64 | Adjusted 2004 BILL | | | $ 94,060.74 | $ (2,432.90) | -2.5% |

| 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 | $ 30.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 30.94 | | |
| DISTRIBUTION kW | 4000 | 5.5109 | $ 22,043.60 | DISTRIBUTION kW | 4000 | 4.69993 | $ 18,799.73 | | |
| 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 | | | $ 160,474.54 | Adjusted 2004 BILL | | | $ 157,230.67 | $ (3,243.87) | -2.0% |

## 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 accura
Consumption has not been adjusted for line losses.

**CURRENT 2003 BILL** | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity P**

**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! |

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**Interval Metered**

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 accura
Consumption has not been adjusted for line losses.

**CURRENT 2003 BILL** | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity P**

**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

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 accura
Consumption has not been adjusted for line losses.

| | CURRENT 2003 BILL | | | | | 2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity P | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ENTER DESIRED CONSUMPTION LEVEL** | | | | | | | | | | | | |
| **MONTHLY CONSUMPTION** | | **kW/kWh (enter)** | **RATE $kW/kWh** | **CHARGE $** | | | **kW/kWh** | **RATE $kW/kWh** | **CHARGE $** | | **IMPACT DOLLARS** | **IMPACT %** |
| **3000kW, 800,000 kWh** | MONTHLY SERVICE CHARGE | n/a | n/a | | $0.00 | 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 | 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 | | | $ | 67,201.40 | Adjusted 2004 BILL | | | | #DIV/0! | #DIV/0! | #DIV/0! |
| **MONTHLY CONSUMPTION** | | **kW/kWh (enter)** | **RATE $kW/kWh** | **CHARGE $** | | | **kW/kWh** | **RATE $kW/kWh** | **CHARGE $** | | **IMPACT DOLLARS** | **IMPACT %** |
| **3000kW, 1,000,000kWh** | 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** | | **kW/kWh (enter)** | **RATE $kW/kWh** | **CHARGE $** | | | **kW/kWh** | **RATE $kW/kWh** | **CHARGE $** | | **IMPACT DOLLARS** | **IMPACT %** |
| **4000kW, 1,200,000kWh** | 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 | 1,200,000 | 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 | | | $ | 98,695.20 | Adjusted 2004 BILL | | | | #DIV/0! | #DIV/0! | #DIV/0! |
| **MONTHLY CONSUMPTION** | | **kW/kWh (enter)** | **RATE $kW/kWh** | **CHARGE $** | | | **kW/kWh** | **RATE $kW/kWh** | **CHARGE $** | | **IMPACT DOLLARS** | **IMPACT %** |
| **4000kW, 1,800,000kWh** | 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 | ####### | 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 | | | $ | 139,615.20 | Adjusted 2004 BILL | | | | #DIV/0! | #DIV/0! | #DIV/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
Consumption has not been adjusted for line losses.

| | CURRENT 2003 BILL | | | | 2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity P | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **ENTER DESIRED CONSUMPTION LEVEL** | | | | | | | | | | |
| **MONTHLY CONSUMPTION** | **kW/kWh (enter)** | **RATE $kW/kWh** | **CHARGE $** | | | **kW/kWh** | **RATE $kW/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| **6000kW, 2,800,000 kWh** | MONTHLY SERVICE CHARGE n/a | n/a | $0.00 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ - | | |
| | DISTRIBUTION kW 6000 | 0.0000 | $ - | | DISTRIBUTION kW | 6000 | #DIV/0! | #DIV/0! | | |
| | 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 | | | #DIV/0! | #DIV/0! | #DIV/0! |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **MONTHLY CONSUMPTION** | **kW/kWh (enter)** | **RATE $kW/kWh** | **CHARGE $** | | | **kW/kWh** | **RATE $kW/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| **15000kW, 10,000,000kWh** | MONTHLY SERVICE CHARGE n/a | n/a | $ - | | MONTHLY SERVICE CHARGE | n/a | n/a | $ - | | |
| | DISTRIBUTION kW 15000 | 0.0000 | $ - | | DISTRIBUTION kW | 15000 | #DIV/0! | #DIV/0! | | |
| | 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 | | | #DIV/0! | #DIV/0! | #DIV/0! |

## Unmetered Scattered Loads

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 P | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **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 | $ 13.72 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |
| | DISTRIBUTION kWh 100 | 0.0207 | $ 2.07 | | DISTRIBUTION kWh | 100 | 0.0174 | $ 1.74 | | |
| | 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 | | $ 22.48 | | Adjusted 2004 BILL | | | $ 22.15 | $ (0.33) | -1.5% |

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|---|---|---|---|---|---|---|---|---|---|---|
| **MONTHLY CONSUMPTION OF** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| **250 kWh** | MONTHLY SERVICE CHARGE n/a | n/a | $ 13.72 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |
| | DISTRIBUTION kWh 250 | 0.0207 | $ 5.18 | | DISTRIBUTION kWh | 250 | 0.0174 | $ 4.35 | | |
| | 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 | | $ 35.62 | | Adjusted 2004 BILL | | | $ 34.80 | $ (0.82) | -2.3% |

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|---|---|---|---|---|---|---|---|---|---|---|
| **MONTHLY CONSUMPTION OF** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| **500 kWh** | MONTHLY SERVICE CHARGE n/a | n/a | $ 13.72 | | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |
| | DISTRIBUTION kWh 500 | 0.0207 | $ 10.35 | | DISTRIBUTION kWh | 500 | 0.0174 | $ 8.71 | | |
| | 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 | | |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | CURRENT 2003 BILL | | | $ 57.52 | | Adjusted 2004 BILL | | | | $ 55.88 | $ (1.64) | -2.9% | | | |
| **MONTHLY CONSUMPTION OF 750 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** | | | |
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | MONTHLY SERVICE CHARGE | | n/a | n/a | $ 13.72 | | | | | |
| | DISTRIBUTION kWh | 750 | 0.0207 | $ 15.53 | | DISTRIBUTION kWh | | 750 | 0.0174 | $ 13.06 | | | | | |
| | 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 | | | $ 79.42 | | Adjusted 2004 BILL | | | | $ 76.96 | $ (2.46) | -3.1% | | | |
| **MONTHLY CONSUMPTION OF 1000 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** | | | |
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | MONTHLY SERVICE CHARGE | | n/a | n/a | $ 13.72 | | | | | |
| | DISTRIBUTION kWh | 1000 | 0.0207 | $ 20.70 | | DISTRIBUTION kWh | | 1000 | 0.0174 | $ 17.41 | | | | | |
| | 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 | | | $ 101.32 | | Adjusted 2004 BILL | | | | $ 98.03 | $ (3.29) | -3.2% | | | |
| **MONTHLY CONSUMPTION OF 1500 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** | | | |
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | MONTHLY SERVICE CHARGE | | n/a | n/a | $ 13.72 | | | | | |
| | DISTRIBUTION kWh | 1500 | 0.0207 | $ 31.05 | | DISTRIBUTION kWh | | 1500 | 0.0174 | $ 26.12 | | | | | |
| | 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 | | | $ 145.12 | | Adjusted 2004 BILL | | | | $ 140.19 | $ (4.93) | -3.4% | | | |
| **MONTHLY CONSUMPTION OF 2000 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** | | | |
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | MONTHLY SERVICE CHARGE | | n/a | n/a | $ 13.72 | | | | | |
| | DISTRIBUTION kWh | 2000 | 0.0207 | $ 41.40 | | DISTRIBUTION kWh | | 2000 | 0.0174 | $ 34.83 | | | | | |
| | 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 | | | $ 188.92 | | Adjusted 2004 BILL | | | | $ 182.35 | $ (6.57) | -3.5% | | | |

## RESIDENTIAL - Suburban

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 P** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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 | $ 17.36 | | MONTHLY SERVICE CHARGE | | n/a | n/a | $ 17.36 | | | | | |
| | DISTRIBUTION kWh | 100 | 0.0209 | $ 2.09 | | DISTRIBUTION kWh | | 100 | 0.0180 | $ 1.80 | | | | | |
| | 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 | | | $ 26.14 | | Adjusted 2004 BILL | | | | $ 25.85 | $ (0.29) | -1.1% | | | |
| **MONTHLY CONSUMPTION OF 250 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** | | | |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 17.36 | | | | |
| | DISTRIBUTION kWh | 250 | 0.0209 | $ | 5.23 | DISTRIBUTION kWh | 250 | 0.0180 | $ | 4.50 | | | | |
| | 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 | | | $ | 39.31 | Adjusted 2004 BILL | | | $ | 38.58 | $ | (0.73) | -1.9% | |

| **MONTHLY CONSUMPTION OF 500 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | | | |
| | DISTRIBUTION kWh | 500 | 0.0209 | $ 10.45 | DISTRIBUTION kWh | 500 | 0.0180 | $ 8.99 | | | |
| | 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 | | | $ 61.26 | Adjusted 2004 BILL | | | $ 59.80 | $ (1.46) | -2.4% | |

| **MONTHLY CONSUMPTION OF 750 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | | | |
| | DISTRIBUTION kWh | 750 | 0.0209 | $ 15.68 | DISTRIBUTION kWh | 750 | 0.0180 | $ 13.49 | | | |
| | 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 | | | $ 83.21 | Adjusted 2004 BILL | | | $ 81.02 | $ (2.19) | -2.6% | |

| **MONTHLY CONSUMPTION OF 1000 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | | | |
| | DISTRIBUTION kWh | 1000 | 0.0209 | $ 20.90 | DISTRIBUTION kWh | 1000 | 0.0180 | $ 17.98 | | | |
| | 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 | | | $ 105.16 | Adjusted 2004 BILL | | | $ 102.24 | $ (2.92) | -2.8% | |

| **MONTHLY CONSUMPTION OF 1500 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | | | |
| | DISTRIBUTION kWh | 1500 | 0.0209 | $ 31.35 | DISTRIBUTION kWh | 1500 | 0.0180 | $ 26.97 | | | |
| | 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 | | | $ 149.06 | Adjusted 2004 BILL | | | $ 144.68 | $ (4.38) | -2.9% | |

| **MONTHLY CONSUMPTION OF 2000 kWh** | | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | | | |
| | DISTRIBUTION kWh | 2000 | 0.0209 | $ 41.80 | DISTRIBUTION kWh | 2000 | 0.0180 | $ 35.96 | | | |
| | 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 | | | $ 192.96 | Adjusted 2004 BILL | | | $ 187.12 | $ (5.84) | -3.0% | |

## GENERAL SERVICE < 50 KW - Suburban

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.

| ENTER DESIRED CONSUMPTION LEVEL | CURRENT 2003 BILL | | | | 2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity P | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **1000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| MONTHLY SERVICE CHARGE | n/a | n/a | | $13.69 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.69 | | |
| DISTRIBUTION kWh | 1000 | 0.0219 | $ | 21.90 | DISTRIBUTION kWh | 1000 | 0.0230 | $ 22.98 | | |
| 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 | | | $ | 101.49 | Adjusted 2004 BILL | | | $ 102.57 | $ 1.08 | 1.1% |
| **MONTHLY CONSUMPTION 2000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.69 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.69 | | |
| DISTRIBUTION kWh | 2000 | 0.0219 | $ | 43.80 | DISTRIBUTION kWh | 2000 | 0.0230 | $ 45.96 | | |
| 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 | | | $ | 189.29 | Adjusted 2004 BILL | | | $ 191.45 | $ 2.16 | 1.1% |
| **MONTHLY CONSUMPTION 5000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.69 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.69 | | |
| DISTRIBUTION kWh | 5000 | 0.0219 | $ | 109.50 | DISTRIBUTION kWh | 5000 | 0.0230 | $ 114.91 | | |
| 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 | | | $ | 452.69 | Adjusted 2004 BILL | | | $ 458.10 | $ 5.41 | 1.2% |
| **MONTHLY CONSUMPTION 10,000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.69 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.69 | | |
| DISTRIBUTION kWh | 10000 | 0.0219 | $ | 219.00 | DISTRIBUTION kWh | 10000 | 0.0230 | $ 229.82 | | |
| 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 | | | $ | 891.69 | Adjusted 2004 BILL | | | $ 902.51 | $ 10.82 | 1.2% |
| **MONTHLY CONSUMPTION 15,000 KWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.69 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.69 | | |
| DISTRIBUTION kWh | 15000 | 0.0219 | $ | 328.50 | DISTRIBUTION kWh | 15000 | 0.0230 | $ 344.72 | | |
| 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 | | | $ | 1,330.69 | Adjusted 2004 BILL | | | $ 1,346.91 | $ 16.22 | 1.2% |

## GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

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 accura
Consumption has not been adjusted for line losses.

| ENTER DESIRED CONSUMPTION LEVEL | CURRENT 2003 BILL | | | | 2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity P | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **kW/kWh (enter)** | **RATE $kW/kWh** | **CHARGE $** | | | **kW/kWh** | **RATE $kW/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| MONTHLY SERVICE CHARGE | n/a | n/a | | $29.22 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 29.22 | | |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DISTRIBUTION kW | 60 | 5.3451 | $ | 320.71 | DISTRIBUTION kW | 60 | 4.7078 | $ | 282.47 | | | | |
| | 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 | | | $ | 1,607.53 | Adjusted 2004 BILL | | | $ | 1,569.29 | $ | (38.24) | | -2.4% |

| **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 | $ | 29.22 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 29.22 | |
| | DISTRIBUTION kW | 100 | 5.3451 | $ | 534.51 | DISTRIBUTION kW | 100 | 4.7078 | $ | 470.78 | |
| | 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 | | | $ | 3,682.73 | Adjusted 2004 BILL | | | $ | 3,619.00 | $ (63.73) | -1.7% |

| **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 | $ | 29.22 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 29.22 | |
| | DISTRIBUTION kW | 500 | 5.3451 | $ | 2,672.55 | DISTRIBUTION kW | 500 | 4.7078 | $ | 2,353.92 | |
| | 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 | | | $ | 11,476.77 | Adjusted 2004 BILL | | | $ | 11,158.14 | $ (318.63) | -2.8% |

| **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 | $ | 29.22 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 29.22 | |
| | DISTRIBUTION kW | 1000 | 5.3451 | $ | 5,345.10 | DISTRIBUTION kW | 1000 | 4.7078 | $ | 4,707.83 | |
| | 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 | | | $ | 36,564.32 | Adjusted 2004 BILL | | | $ | 35,927.05 | $ (637.27) | -1.7% |

| **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 | $ | 29.22 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 29.22 | |
| | DISTRIBUTION kW | 3000 | 5.3451 | $ | 16,035.30 | DISTRIBUTION kW | 3000 | 4.7078 | $ | 14,123.49 | |
| | 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 | | | $ | 95,994.52 | Adjusted 2004 BILL | | | $ | 94,082.71 | $ (1,911.81) | -2.0% |

| **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 | $ | 29.22 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 29.22 | |
| | DISTRIBUTION kW | 4000 | 5.3451 | $ | 21,380.40 | DISTRIBUTION kW | 4000 | 4.70783 | $ | 18,831.32 | |
| | 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 | | | $ 159,809.62 | | Adjusted 2004 BILL | | | $ 157,260.54 | $ (2,549.08) | -1.6% |

## RESIDENTIAL - Suburban Seasonal

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 P**

**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 | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 100 | 0.0320 | $ 3.20 | DISTRIBUTION kWh | 100 | 0.0298 | $ 2.98 | | |
| 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 | | | $ 41.83 | Adjusted 2004 BILL | | | $ 41.61 | $ (0.22) | -0.5% |

**MONTHLY CONSUMPTION OF**
**250 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 250 | 0.0320 | $ 8.00 | DISTRIBUTION kWh | 250 | 0.0298 | $ 7.44 | | |
| 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 | | | $ 56.67 | Adjusted 2004 BILL | | | $ 56.10 | $ (0.56) | -1.0% |

**MONTHLY CONSUMPTION OF**
**500 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 500 | 0.0320 | $ 16.00 | DISTRIBUTION kWh | 500 | 0.0298 | $ 14.88 | | |
| 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 | | | $ 81.39 | Adjusted 2004 BILL | | | $ 80.27 | $ (1.12) | -1.4% |

**MONTHLY CONSUMPTION OF**
**750 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 750 | 0.0320 | $ 24.00 | DISTRIBUTION kWh | 750 | 0.0298 | $ 22.32 | | |
| 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 | | | $ 106.12 | Adjusted 2004 BILL | | | $ 104.43 | $ (1.68) | -1.6% |

**MONTHLY CONSUMPTION OF**
**1000 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 1000 | 0.0320 | $ 32.00 | DISTRIBUTION kWh | 1000 | 0.0298 | $ 29.75 | | |
| 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 | | | $ 130.84 | Adjusted 2004 BILL | | | $ 128.59 | $ (2.25) | -1.7% |

**MONTHLY CONSUMPTION OF**
**1500 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 31.94 | | | | |
| | DISTRIBUTION kWh | 1500 | 0.0320 | $ | 48.00 | DISTRIBUTION kWh | 1500 | 0.0298 | $ | 44.63 | | | | |
| | 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 | | | $ | 180.29 | Adjusted 2004 BILL | | | $ | 176.92 | $ | (3.37) | -1.9% | |
| **MONTHLY CONSUMPTION OF 2000 kWh** | | **kWh (enter)** | **RATE $/kWh** | | **CHARGE $** | | **kWh** | **RATE $/kWh** | | **CHARGE $** | **IMPACT DOLLARS** | | **IMPACT %** | |
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 31.94 | | | | |
| | DISTRIBUTION kWh | 2000 | 0.0320 | $ | 64.00 | DISTRIBUTION kWh | 2000 | 0.0298 | $ | 59.51 | | | | |
| | 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 | | | $ | 229.74 | Adjusted 2004 BILL | | | $ | 225.25 | $ | (4.49) | -2.0% | |

## Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments

**(commodity price increase on April 1, 2004)**

| | | | |
|---|---|---|---|
| **NAME OF UTILITY** | Gravehurst Hydro Electric | **LICENCE NUMBER** | ED-1999-0277 |
| **NAME OF CONTACT** | Patrick Mistal | **PHONE NUMBER** | 705-687-2321 |
| **E- Mail Address** | pmistal@on.aibn.com | | |
| **VERSION NUMBER** | 004 | | |
| **Date** | 11-Mar-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

| **ENTER DESIRED CONSUMPTION LEVEL** | **CURRENT 2003 BILL** | | | | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Pr** | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **100 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |
| DISTRIBUTION kWh | 100 | 0.0203 | $ | 2.03 | DISTRIBUTION kWh | 100 | 0.0183 | $ 1.83 | | |
| 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 | | | $ | 20.89 | Adjusted 2004 BILL | | | $ 21.09 | $ 0.20 | 0.9% |
| **250 kWh** | | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |
| DISTRIBUTION kWh | 250 | 0.0203 | $ | 5.08 | DISTRIBUTION kWh | 250 | 0.0183 | $ 4.56 | | |
| 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 | | | $ | 33.97 | Adjusted 2004 BILL | | | $ 34.46 | $ 0.49 | 1.4% |
| **500 kWh** | | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |
| DISTRIBUTION kWh | 500 | 0.0203 | $ | 10.15 | DISTRIBUTION kWh | 500 | 0.0183 | $ 9.13 | | |
| 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 | | | $ | 55.77 | Adjusted 2004 BILL | | | $ 56.75 | $ 0.98 | 1.8% |
| **750 kWh** | | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |
| DISTRIBUTION kWh | 750 | 0.0203 | $ | 15.23 | DISTRIBUTION kWh | 750 | 0.0183 | $ 13.69 | | |
| 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 | | | $ | 77.57 | Adjusted 2004 BILL | | | $ 79.04 | $ 1.47 | 1.9% |
| **1000 kWh** | | | | | | | | | | |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kWh | 1000 | 0.0203 | $ | 20.30 | DISTRIBUTION kWh | 1000 | 0.0183 | $ | 18.26 | | |
| 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 | | | $ | 99.37 | Adjusted 2004 BILL | | | $ | 103.33 | $ 3.96 | 4.0% |

| **MONTHLY CONSUMPTION OF 1500 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |
| DISTRIBUTION kWh | 1500 | 0.0203 | $ | 30.45 | DISTRIBUTION kWh | 1500 | 0.0183 | $ 27.39 | | |
| 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 | | | $ | 142.97 | Adjusted 2004 BILL | | | $ 151.91 | $ 8.94 | 6.2% |

| **MONTHLY CONSUMPTION OF 2000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 12.17 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 12.17 | | |
| DISTRIBUTION kWh | 2000 | 0.0203 | $ | 40.60 | DISTRIBUTION kWh | 2000 | 0.0183 | $ 36.51 | | |
| 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 | | | $ | 186.57 | Adjusted 2004 BILL | | | $ 200.48 | $ 13.91 | 7.5% |

## 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 & Tiered Commodity Pr**

| **MONTHLY CONSUMPTION OF 1000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |
| DISTRIBUTION kWh | 1000 | 0.0207 | $ | 20.70 | DISTRIBUTION kWh | 1000 | 0.01741 | $ 17.41 | | |
| 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 | | | $ | 100.32 | Adjusted 2004 BILL | | | $ 103.03 | $ 2.71 | 2.7% |

| **MONTHLY CONSUMPTION OF 2000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |
| DISTRIBUTION kWh | 2000 | 0.0207 | $ | 41.40 | DISTRIBUTION kWh | 2000 | 0.0174 | $ 34.83 | | |
| 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 | | | $ | 186.92 | Adjusted 2004 BILL | | | $ 198.35 | $ 11.43 | 6.1% |

| **MONTHLY CONSUMPTION OF 5000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DISTRIBUTION kWh | 5000 | 0.0207 | $ | 103.50 | DISTRIBUTION kWh | 5000 | 0.0174 | $ | 87.07 | | | |
| 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 | | | $ | 446.72 | Adjusted 2004 BILL | | | $ | 484.29 | $ | 37.57 | 8.4% |

| **MONTHLY CONSUMPTION OF 10000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |
| DISTRIBUTION kWh | 10000 | 0.0207 | $ | 207.00 | DISTRIBUTION kWh | 10000 | 0.0174 | $ 174.14 | | |
| 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 | | | $ | 879.72 | Adjusted 2004 BILL | | | $ 960.86 | $ 81.14 | 9.2% |

| **MONTHLY CONSUMPTION OF 15000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |
| DISTRIBUTION kWh | 15000 | 0.0207 | $ | 310.50 | DISTRIBUTION kWh | 15000 | 0.0174 | $ 261.22 | | |
| 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 | | | $ | 1,312.72 | Adjusted 2004 BILL | | | $ 1,437.44 | $ 124.72 | 9.5% |

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## Unmetered Scattered Loads

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 Pr**

| **MONTHLY CONSUMPTION OF 1000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |
| DISTRIBUTION kWh | 1000 | 0.0207 | $ | 20.70 | DISTRIBUTION kWh | 1000 | 0.01741 | $ 17.41 | | |
| 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 | | | $ | 100.32 | Adjusted 2004 BILL | | | $ 103.03 | $ 2.71 | 2.7% |

| **MONTHLY CONSUMPTION OF 2000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |
| DISTRIBUTION kWh | 2000 | 0.0207 | $ | 41.40 | DISTRIBUTION kWh | 2000 | 0.0174 | $ 34.83 | | |
| 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 | | | $ | 186.92 | Adjusted 2004 BILL | | | $ 198.35 | $ 11.43 | 6.1% |

| **MONTHLY CONSUMPTION OF 5000 kWh** | **kWh (enter)** | **RATE $/kWh** | **CHARGE $** | | | **kWh** | **RATE $/kWh** | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.72 | | |
| DISTRIBUTION kWh | 5000 | 0.0207 | $ | 103.50 | DISTRIBUTION kWh | 5000 | 0.0174 | $ 87.07 | | |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | | | | $ | 446.72 | Adjusted 2004 BILL | | | | $ | 484.29 | $ 37.57 | 8.4% |

| **MONTHLY CONSUMPTION OF 10000 kWh** | | **kWh (enter)** | **RATE $/kWh** | | **CHARGE $** | | | **kWh** | **RATE $/kWh** | | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | | | |
| | DISTRIBUTION kWh | 10000 | 0.0207 | $ | 207.00 | DISTRIBUTION kWh | 10000 | 0.0174 | $ | 174.14 | | | |
| | 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 | | | | $ | 879.72 | Adjusted 2004 BILL | | | | $ | 960.86 | $ 81.14 | 9.2% |

| **MONTHLY CONSUMPTION OF 15000 kWh** | | **kWh (enter)** | **RATE $/kWh** | | **CHARGE $** | | | **kWh** | **RATE $/kWh** | | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.72 | | | |
| | DISTRIBUTION kWh | 15000 | 0.0207 | $ | 310.50 | DISTRIBUTION kWh | 15000 | 0.0174 | $ | 261.22 | | | |
| | 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 | | | | $ | 1,312.72 | Adjusted 2004 BILL | | | | $ | 1,437.44 | $ 124.72 | 9.5% |

## RESIDENTIAL CLASS - Suburban

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 Pr**

| **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 | $ | 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 17.36 | | | |
| | DISTRIBUTION kWh | 100 | 0.0209 | $ | 2.09 | DISTRIBUTION kWh | 100 | 0.0180 | $ | 1.80 | | | |
| | 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 | | | | $ | 26.14 | Adjusted 2004 BILL | | | | $ | 26.25 | $ 0.11 | 0.4% |

| **MONTHLY CONSUMPTION OF 250 kWh** | | **kWh (enter)** | **RATE $/kWh** | | **CHARGE $** | | | **kWh** | **RATE $/kWh** | | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 17.36 | | | |
| | DISTRIBUTION kWh | 250 | 0.0209 | $ | 5.23 | DISTRIBUTION kWh | 250 | 0.0180 | $ | 4.50 | | | |
| | 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 | | | | $ | 39.31 | Adjusted 2004 BILL | | | | $ | 39.58 | $ 0.27 | 0.7% |

| **MONTHLY CONSUMPTION OF 500 kWh** | | **kWh (enter)** | **RATE $/kWh** | | **CHARGE $** | | | **kWh** | **RATE $/kWh** | | **CHARGE $** | **IMPACT DOLLARS** | **IMPACT %** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ | 17.36 | | | |
| | DISTRIBUTION kWh | 500 | 0.0209 | $ | 10.45 | DISTRIBUTION kWh | 500 | 0.0180 | $ | 8.99 | | | |
| | 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 | | | | $ | 61.26 | Adjusted 2004 BILL | | | | $ | 61.80 | $ 0.54 | 0.9% |

**MONTHLY CONSUMPTION OF 750 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | | |
| DISTRIBUTION kWh | 750 | 0.0209 | $ 15.68 | DISTRIBUTION kWh | 750 | 0.0180 | $ 13.49 | | |
| 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 | | | $ 83.21 | Adjusted 2004 BILL | | | $ 84.02 | $ 0.81 | 1.0% |

**MONTHLY CONSUMPTION OF 1000 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | | |
| DISTRIBUTION kWh | 1000 | 0.0209 | $ 20.90 | DISTRIBUTION kWh | 1000 | 0.0180 | $ 17.98 | | |
| 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 | | | $ 105.16 | Adjusted 2004 BILL | | | $ 108.24 | $ 3.08 | 2.9% |

**MONTHLY CONSUMPTION OF 1500 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | | |
| DISTRIBUTION kWh | 1500 | 0.0209 | $ 31.35 | DISTRIBUTION kWh | 1500 | 0.0180 | $ 26.97 | | |
| 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 | | | $ 149.06 | Adjusted 2004 BILL | | | $ 156.68 | $ 7.62 | 5.1% |

**MONTHLY CONSUMPTION OF 2000 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 17.36 | | |
| DISTRIBUTION kWh | 2000 | 0.0209 | $ 41.80 | DISTRIBUTION kWh | 2000 | 0.0180 | $ 35.96 | | |
| 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 | | | $ 192.96 | Adjusted 2004 BILL | | | $ 205.12 | $ 12.16 | 6.3% |

## GENERAL SERVICE < 50 KW - Suburban

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.

**MONTHLY CONSUMPTION OF 1000 kWh**

| | CURRENT 2003 BILL | | | | 2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Pr | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.69 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 13.69 | | |
| DISTRIBUTION kWh | 1000 | 0.0219 | $ 21.90 | DISTRIBUTION kWh | 1000 | 0.02298 | $ 22.98 | | |
| 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 | | | $ 101.49 | Adjusted 2004 BILL | | | $ 108.57 | $ 7.08 | 7.0% |

| MONTHLY CONSUMPTION OF 2000 kWh | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.69 | n/a | n/a | $ 13.69 | | |
| DISTRIBUTION kWh | 2000 | 0.0219 | $ | 43.80 | 2000 | 0.0230 | $ 45.96 | | |
| OTHER CHARGES kWh | 2000 | 0.0229 | $ | 45.80 | 2000 | 0.0229 | $ 45.80 | | |
| COST OF POWER kWh | 2000 | 0.0430 | $ | 86.00 | 750 | 0.0470 | $ 35.25 | | |
| | | | | | 1250 | 0.0550 | $ 68.75 | | |
| CURRENT 2003 BILL | | | $ | 189.29 | Adjusted 2004 BILL | | $ 209.45 | $ 20.16 | 10.7% |

| MONTHLY CONSUMPTION OF 5000 kWh | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.69 | n/a | n/a | $ 13.69 | | |
| DISTRIBUTION kWh | 5000 | 0.0219 | $ | 109.50 | 5000 | 0.0230 | $ 114.91 | | |
| OTHER CHARGES kWh | 5000 | 0.0229 | $ | 114.50 | 5000 | 0.0229 | $ 114.50 | | |
| COST OF POWER kWh | 5000 | 0.0430 | $ | 215.00 | 750 | 0.0470 | $ 35.25 | | |
| | | | | | 4250 | 0.0550 | $ 233.75 | | |
| CURRENT 2003 BILL | | | $ | 452.69 | Adjusted 2004 BILL | | $ 512.10 | $ 59.41 | 13.1% |

| MONTHLY CONSUMPTION OF 10000 kWh | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.69 | n/a | n/a | $ 13.69 | | |
| DISTRIBUTION kWh | 10000 | 0.0219 | $ | 219.00 | 10000 | 0.0230 | $ 229.82 | | |
| OTHER CHARGES kWh | 10000 | 0.0229 | $ | 229.00 | 10000 | 0.0229 | $ 229.00 | | |
| COST OF POWER kWh | 10000 | 0.0430 | $ | 430.00 | 750 | 0.0470 | $ 35.25 | | |
| | | | | | 9250 | 0.0550 | $ 508.75 | | |
| CURRENT 2003 BILL | | | $ | 891.69 | Adjusted 2004 BILL | | $ 1,016.51 | $ 124.82 | 14.0% |

| MONTHLY CONSUMPTION OF 15000 kWh | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ | 13.69 | n/a | n/a | $ 13.69 | | |
| DISTRIBUTION kWh | 15000 | 0.0219 | $ | 328.50 | 15000 | 0.0230 | $ 344.72 | | |
| OTHER CHARGES kWh | 15000 | 0.0229 | $ | 343.50 | 15000 | 0.0229 | $ 343.50 | | |
| COST OF POWER kWh | 15000 | 0.0430 | $ | 645.00 | 750 | 0.0470 | $ 35.25 | | |
| | | | | | 14250 | 0.0550 | $ 783.75 | | |
| CURRENT 2003 BILL | | | $ | 1,330.69 | Adjusted 2004 BILL | | $ 1,520.91 | $ 190.22 | 14.3% |

## RESIDENTIAL CLASS - Suburban Seasonal

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 Pr**

| 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 | $ | 31.94 | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 100 | 0.0320 | $ | 3.20 | 100 | 0.0298 | $ 2.98 | | |
| OTHER CHARGES kWh | 100 | 0.0239 | $ | 2.39 | 100 | 0.0239 | $ 2.39 | | |
| COST OF POWER kWh | 100 | 0.0430 | $ | 4.30 | 100 | 0.0470 | $ 4.70 | | |
| CURRENT 2003 BILL | | | $ | 41.83 | Adjusted 2004 BILL | | $ 42.01 | $ 0.18 | 0.4% |

**MONTHLY CONSUMPTION OF 250 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 250 | 0.0320 | $ 8.00 | DISTRIBUTION kWh | 250 | 0.0298 | $ 7.44 | | |
| 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 | | | $ 56.67 | Adjusted 2004 BILL | | | $ 57.10 | $ 0.44 | 0.8% |

**MONTHLY CONSUMPTION OF 500 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 500 | 0.0320 | $ 16.00 | DISTRIBUTION kWh | 500 | 0.0298 | $ 14.88 | | |
| 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 | | | $ 81.39 | Adjusted 2004 BILL | | | $ 82.27 | $ 0.88 | 1.1% |

**MONTHLY CONSUMPTION OF 750 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 750 | 0.0320 | $ 24.00 | DISTRIBUTION kWh | 750 | 0.0298 | $ 22.32 | | |
| 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 | | | $ 106.12 | Adjusted 2004 BILL | | | $ 107.43 | $ 1.32 | 1.2% |

**MONTHLY CONSUMPTION OF 1000 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 1000 | 0.0320 | $ 32.00 | DISTRIBUTION kWh | 1000 | 0.0298 | $ 29.75 | | |
| 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 | | | $ 130.84 | Adjusted 2004 BILL | | | $ 134.59 | $ 3.75 | 2.9% |

**MONTHLY CONSUMPTION OF 1500 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 1500 | 0.0320 | $ 48.00 | DISTRIBUTION kWh | 1500 | 0.0298 | $ 44.63 | | |
| 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 | | | $ 180.29 | Adjusted 2004 BILL | | | $ 188.92 | $ 8.63 | 4.8% |

**MONTHLY CONSUMPTION OF 2000 kWh**

| | kWh (enter) | RATE $/kWh | CHARGE $ | | kWh | RATE $/kWh | CHARGE $ | IMPACT DOLLARS | IMPACT % |
|---|---|---|---|---|---|---|---|---|---|
| MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | MONTHLY SERVICE CHARGE | n/a | n/a | $ 31.94 | | |
| DISTRIBUTION kWh | 2000 | 0.0320 | $ 64.00 | DISTRIBUTION kWh | 2000 | 0.0298 | $ 59.51 | | |
| 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 | | | $ 229.74 | Adjusted 2004 BILL | | | $ 243.25 | $ 13.51 | 5.9% |

**Gravehurst Hydro Electric** RP-2004-0049
**Schedule of Distribution Rates and Charges** EB-2004-0035
Effective April 1, 2004 until February 28, 2005

**LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.**

**RESIDENTIAL**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $12.17 |
| Distribution Volumetric Rate | (per kWh) | $0.0183 |

**GENERAL SERVICE < 50 KW**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.72 |
| Distribution Volumetric Rate | (per kWh) | $0.0174 |

**GENERAL SERVICE > 50 KW (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $30.94 |
| Distribution Volumetric Rate | (per kW) | $4.6999 |

**SENTINEL LIGHTS (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.90 |
| Distribution Volumetric Rate | (per kW) | -$0.5802 |

**STREET LIGHTING (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.54 |
| Distribution Volumetric Rate | (per kW) | -$0.6216 |

**Unmetered Scattered Loads**
Billed at General Service <50 kW rates

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.72 |
| Distribution Volumetric Rate | (per kWh) | $0.0174 |

**RESIDENTIAL - Suburban**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $17.36 |
| Distribution Volumetric Rate | (per kWh) | $0.0180 |

## GENERAL SERVICE < 50 KW - Suburban

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $13.69 |
| Distribution Volumetric Rate | (per kWh) | $0.0230 |

## GENERAL SERVICE > 50 KW (NON TIME OF USE) - Suburban

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $29.22 |
| Distribution Volumetric Rate | (per kW) | $4.7078 |

## RESIDENTIAL - Suburban Seasonal

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $31.94 |
| Distribution Volumetric Rate | (per kWh) | $0.0298 |

## SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES HERE (as on Sheet 2)

| | | |
|---|---|---|
| **Customer Administration** | | |
| Account set up charge | | $ 10.00 |
| Arrears certificate charge | | $ 15.00 |
| **Non-Payment of Account** | | |
| Late Penalty (Overdue Account | (per month) | 1.50% |
| Interest Charge) on unpaid balance | (per annum) | 19.56% |
| Returned cheque - Actual bank charges plus | | $ 9.00 |
| Collection of Account Charge | | $ 9.00 |
| Disconnect/Reconnect Charges (non payment of account) | | |
| During Regular Hours | | $ 20.00 |
| During After Hours | | $ 50.00 |
| Install / Remove Temporaty Service | | $ 250.00 |
| Transformer Ownership Allowance | | |
| (for connections prior to Jan 1, | (per kW) | $ 0.60 |

# 2005 Rate Adjustment Model

| | |
|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** |
| **License Number:** | **ED-1999-0277** |
| **File Number:** | **RP-2005-0013** |
| | **EB-2005-0030** |
| **Name of Contact:** | **Patrick Mistal** |
| **E- Mail Address:** | **pmistal@on.aibn.com** |
| **Phone Number:** | **705-687-2321 Extension:** |
| **Date:** | **January 14, 2005** |

**Version Number:** **2005.V1.0**

## SHEET 1 - 2002 Base Rate Schedule

| | | |
|---|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | |
| **Phone Number:** | **705-687-2321 Extension:** | |
| **Date:** | **January 14, 2005** | |

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 URBAN

| | |
|---|---|
| Distribution kWh Rate | $0.0158 |
| Monthly Service Charge (Per Customer) | $9.48 |

### RESIDENTIAL (TIME OF USE)

| | |
|---|---|
| Distribution kWh Rate | $0.0000 |
| Monthly Service Charge (Per Customer) | $0.00 |

### GENERAL SERVICE URBAN < 50 KW

| | |
|---|---|
| Distribution kWh Rate | $0.0158 |
| Monthly Service Charge (Per Customer) | $10.44 |

### GENERAL SERVICE URBAN > 50 KW (NON TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | $4.4327 |
| Monthly Service Charge (Per Customer) | $24.05 |

### GENERAL SERVICE > 50 KW (TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | |
| Monthly Service Charge (Per Customer) | |

## SHEET 1 - 2002 Base Rate Schedule

### INTERMEDIATE USE

| | |
|---|---|
| Distribution KW Rate | |
| Monthly Service Charge (Per Customer) | |

### LARGE USE

| | |
|---|---|
| Distribution KW Rate | |
| Monthly Service Charge (Per Customer) | |

### SENTINEL LIGHTS (NON TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | $0.4150 |
| Monthly Service Charge (Per Connection) | $0.69 |

**OR**

### SENTINEL LIGHTS (TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | |
| Monthly Service Charge (Per Connection) | |

### STREET LIGHTING (NON TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | |
| Monthly Service Charge (Per Connection) | |

**OR**

### STREET LIGHTING (TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | $0.0766 |
| Monthly Service Charge (Per Connection) | $0.43 |

### RESIDENTIAL SUBURBAN

| | |
|---|---|
| Distribution kWh Rate | $0.0163 |
| Monthly Service Charge (Per Customer) | $13.54 |

## SHEET 1 - 2002 Base Rate Schedule

### GENERAL SERVICE SUBURBAN < 50 KW

| | |
|---|---|
| Distribution kWh Rate | $0.0174 |
| Monthly Service Charge (Per Customer) | $11.44 |

### GENERAL SERVICE SUBURBAN > 50 KW (NON TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | $4.4223 |
| Monthly Service Charge (Per Customer) | $24.03 |

### RESIDENTIAL SUBURBAN SEASONAL

| | |
|---|---|
| Distribution kWh Rate | $0.0250 |
| Monthly Service Charge (Per Customer) | $25.02 |

## SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

| | | |
|---|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | |
| **Phone Number:** | **705-687-2321** **Extension:** | |
| **Date:** | **January 14, 2005** | |

| | |
|---|---|
| **Enter the final MARR installment calculated in the 2001 RUD Model** | **$ 177,090.59** |
| **Have you applied for approval of your C&DM plan?** | **yes** |
| **Enter the amount applied for your C&DM plan** | **$ 177,090.59** |
| **Has the C&DM application been approved?** | **no** |
| **Enter the final MARR installment *(based on Board-Approved C&DM plan or applied-for amount)*** | **$ 177,090.59** |

**Grossed-up MARR based on 14 months recovery over 13 months.** **$ 190,712.94**

**Use the Table below to enter the 1999 data for your LDC from your approved 2001 RUD Model.**
**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 URBAN | - | 35,280,332 | 3,676 | $816,503 | 43.99% | $83,893 |
| General Service URBAN < 50 KW Class | - | 7,929,474 | 363 | $142,965 | 7.70% | $14,689 |
| General Service URBAN > 50 KW Non-Time of Use | 34,257 - | | 27 | $133,454 | 7.19% | $13,712 |
| General Service > 50 KW Time of Use | | | | | 0.00% | $0 |
| Intermediate Use | | | | | 0.00% | $0 |
| Large Class User | | | | | 0.00% | $0 |
| Sentinel Lights | 139 - | | 71 | $537 | 0.03% | $55 |
| Street Lighting | 1,929 - | | 954 | $4,221 | 0.23% | $434 |
| Residential Class SUBURBAN | - | 2,458,970 | 148 | $53,471 | 2.88% | $5,494 |
| General Service SUBURBAN < 50 KW Class | - | 8,332,688 | 246 | $149,189 | 8.04% | $15,329 |
| General Service SUBURBAN > 50 KW Non-Time of Use | 38,691 - | | 18 | $147,545 | 7.95% | $15,160 |
| Residential Class SUBURBAN SEASONAL | | 5,958,216 | 1,130 | $408,260 | 22.00% | $41,947 |
| **TOTALS** | **75,016** | **59,959,680** | **6,633** | **$1,856,144** | **100.00%** | **$190,713** |
| | | | **Grossed-up MARR Value ==========>** | | | **$190,713** |

**Note: LDCs must enter the fixed-variable split used on Sheet 13 (Sensitivity Analysis 2) of their 2001 Approved RUD Model.**

### Residential URBAN Class

| | Variable Charge Recovery | Service Charge Recovery | Total Board-Approved MARR Recovery |
|---|---|---|---|
| (A) Allocated MARR | | | $83,893 |
| (B) Fixed-Variable Split (%) | 57.2% | 42.8% | 100% |
| (C) Re-Allocated MARR ($) | $47,987 | $35,906 | $83,893 |
| (D) Number of kWh | 35,280,332 | | |
| (E) Number of Customers | | 3,676 | |
| (F) Incremental Distribution kWh Rate ($/kWh) | $0.0014 | | |
| (G) Incremental Monthly Service Charge (C)/(E)/12 | | $0.8140 | |

## SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

### General Service URBAN < 50 kW Class

| | Variable Charge Recovery | Service Charge Recovery | Total Board-Approved MARR Recovery |
|---|---|---|---|
| (A) Allocated MARR | | | $14,689 |
| (B) Fixed-Variable Split (%) | 73.4% | 26.6% | 100% |
| (C) Re-Allocated MARR ($) | $10,782 | $3,907 | $14,689 |
| (D) Number of kWh | 7,929,474 | | |
| (E) Number of Customers | | 363 | |
| (F) Incremental Distribution kWh Rate ($/kWh) | $0.0014 | | |
| (G) Incremental Monthly Service Charge (C)/(E)/12 | | $0.8970 | |

### General Service URBAN > 50 kW Class (Non-Time of Use)

| | Variable Charge Recovery | Service Charge Recovery | Total Board-Approved MARR Recovery |
|---|---|---|---|
| (A) Allocated MARR | | | $13,712 |
| (B) Fixed-Variable Split (%) | 95.1% | 4.9% | 100% |
| (C) Re-Allocated MARR ($) | $13,043 | $669 | $13,712 |
| (D) Number of kW | 34,257 | | |
| (E) Number of Customers | | 27 | |
| (F) Incremental Distribution kWh Rate ($/kWh) | $0.3807 | | |
| (G) Incremental Monthly Service Charge (C)/(E)/12 | | $2.0661 | |

### 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 | |

### Intermediate 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 | |

## 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 | | | $55 |
| (B) Fixed-Variable Split (%) | 9.0% | 91.0% | 100% |
| (C) Re-Allocated MARR ($) | $5 | $50 | $55 |
| (D) Number of kW | 139 | | |
| (E) Number of Customers | | 71 | |
| (F) Incremental Distribution kW Rate ($/kW) | $0.0357 | | |
| (G) Incremental Monthly Service Charge (C)/(E)/12 | | $0.0589 | |

### Street Lighting Class

| | Variable Charge Recovery | Service Charge Recovery | Total Board-Approved MARR Recovery |
|---|---|---|---|
| (A) Allocated MARR | | | $434 |
| (B) Fixed-Variable Split (%) | 3.0% | 97.0% | 100% |
| (C) Re-Allocated MARR ($) | $13 | $421 | $434 |
| (D) Number of kW | 1,929 | | |
| (E) Number of Customers | | 954 | |
| (F) Incremental Distribution kW Rate ($/kW) | $0.0067 | | |
| (G) Incremental Monthly Service Charge (C)/(E)/12 | | $0.0367 | |

## SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

### Residential SUBURBAN Class

| | Variable Charge Recovery | Service Charge Recovery | Total Board-Approved MARR Recovery |
|---|---|---|---|
| (A) Allocated MARR | | | $5,494 |
| (B) Fixed-Variable Split (%) | 62.4% | 37.6% | 100% |
| (C) Re-Allocated MARR ($) | $3,428 | $2,066 | $5,494 |
| (D) Number of kWh | 2,458,970 | | |
| (E) Number of Customers | | 148 | |
| (F) Incremental Distribution kWh Rate ($/kWh) | $0.0014 | | |
| (G) Incremental Monthly Service Charge (C)/(E)/12 | | $1.1631 | |

### General Service SUBURBAN < 50 kW Class

| | Variable Charge Recovery | Service Charge Recovery | Total Board-Approved MARR Recovery |
|---|---|---|---|
| (A) Allocated MARR | | | $15,329 |
| (B) Fixed-Variable Split (%) | 81.1% | 18.9% | 100% |
| (C) Re-Allocated MARR ($) | $12,427 | $2,902 | $15,329 |
| **(D) Number of kWh** | **8,332,688** | | |
| (E) Number of Customers | | 246 | |
| (F) Incremental Distribution kWh Rate ($/kWh) | $0.0015 | | |
| (G) Incremental Monthly Service Charge (C)/(E)/12 | | $0.9830 | |

### General Service SUBURBAN > 50 kW Class (Non-Time of Use)

| | Variable Charge Recovery | Service Charge Recovery | Total Board-Approved MARR Recovery |
|---|---|---|---|
| (A) Allocated MARR | | | $15,160 |
| (B) Fixed-Variable Split (%) | 97.1% | 2.9% | 100% |
| (C) Re-Allocated MARR ($) | $14,714 | $446 | $15,160 |
| (D) Number of kW | 38,691 | | |
| (E) Number of Customers | | 18 | |
| (F) Incremental Distribution kWh Rate ($/kWh) | $0.3803 | | |
| (G) Incremental Monthly Service Charge (C)/(E)/12 | | $2.0641 | |

### Residential SUBURBAN SEASONALClass

| | Variable Charge Recovery | Service Charge Recovery | Total Board-Approved MARR Recovery |
|---|---|---|---|
| (A) Allocated MARR | | | $41,947 |
| (B) Fixed-Variable Split (%) | 30.5% | 69.5% | 100% |

## SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

| | | | |
|---|---|---|---|
| (C) Re-Allocated MARR ($) | $12,794 | $29,153 | $41,947 |
| (D) Number of kWh | 5,958,216 | | |
| (E) Number of Customers | | 1,130 | |
| (F) Incremental Distribution kWh Rate ($/kWh) | $0.0021 | | |
| (G) Incremental Monthly Service Charge (C)/(E)/12 | | $2.1500 | |

# SHEET 3 - 2005 Base Rates (2002 Base Rates + Final MARR)

| | | |
|---|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | |
| **Phone Number:** | **705-687-2321** **Extension:** | |
| **Date:** | **January 14, 2005** | |

## Residential URBAN Class

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0172 |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.29 |

## Residential Class (Time-of-Use)

| | |
|---|---|
| DISTRIBUTION KWH RATE | |
| MONTHLY SERVICE CHARGE (Per Customer) | |

## General Service URBAN < 50 KW

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0172 |
| MONTHLY SERVICE CHARGE (Per Customer) | $11.34 |

## General Service URBAN > 50 KW (Non-Time of Use)

| | |
|---|---|
| DISTRIBUTION KW RATE | $4.8134 |
| MONTHLY SERVICE CHARGE (Per Customer) | $26.12 |

## General Service > 50 KW (Time of Use)

| | |
|---|---|
| DISTRIBUTION KW RATE | |
| MONTHLY SERVICE CHARGE (Per Customer) | |

## Intermediate Use

| | |
|---|---|
| DISTRIBUTION KW RATE | |
| MONTHLY SERVICE CHARGE (Per Customer) | |

# 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 | $0.4507 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.75 |

**OR**

## Sentinel Lights (Time of Use)

| | |
|---|---|
| DISTRIBUTION KW RATE | |
| MONTHLY SERVICE CHARGE (Per Connection) | |

## Street Lighting (Non-Time of Use)

| | |
|---|---|
| DISTRIBUTION KW RATE | |
| MONTHLY SERVICE CHARGE (Per Connection) | |

**OR**

## Street Lighting (Time of Use)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.0834 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.46 |

## Residential Class SUBURBAN

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0177 |
| MONTHLY SERVICE CHARGE (Per Customer) | $14.70 |

## General Service SUBURBAN < 50 KW

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0189 |
| MONTHLY SERVICE CHARGE (Per Customer) | $12.43 |

# SHEET 3 - 2005 Base Rates (2002 Base Rates + Final MARR)

## General Service SUBURBAN > 50 KW (Non-Time of Use)

| | |
|---|---|
| DISTRIBUTION KW RATE | $4.8026 |
| MONTHLY SERVICE CHARGE (Per Customer) | $26.09 |

## Residential Class SUBURBAN SEASONAL

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0271 |
| MONTHLY SERVICE CHARGE (Per Customer) | $27.17 |

## SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

| | | | |
|---|---|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** | | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | | |
| **Phone Number:** | **705-687-2321** | **Extension:** | |
| **Date:** | **January 14, 2005** | | |

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** $ 221,910.36

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 URBAN** | - | 29,006,946 | 2,868 | $982,175 | 32.4% | $71,803 |
| **General Service URBAN < 50 KW Class** | - | 8,109,670 | 374 | $215,930 | 7.1% | $15,786 |
| **General Service URBAN > 50 KW Non-Time of Use** | 40,515 | 13,600,396 | 29 | $220,896 | 7.3% | $16,149 |
| **General Service > 50 KW Time of Use** | 0 | 0 | 0 | $0 | 0.0% | $0 |
| **Intermediate Use** | 0 | 0 | 0 | $0 | 0.0% | $0 |
| **Large Class User** | 0 | 0 | 0 | $0 | 0.0% | $0 |
| **Sentinel Lights** | 142 | 51,040 | 78 | $855 | 0.0% | $63 |
| **Street Lighting** | 1,716 | 621,394 | 911 | $6,360 | 0.2% | $465 |
| **Residential Class SUBURBAN** | - | 9,528,861 | 664 | $318,783 | 10.5% | $23,305 |
| **General Service SUBURBAN < 50 KW Class** | - | 6,319,002 | 266 | $171,918 | 5.7% | $12,568 |
| **General Service SUBURBAN > 50 KW Non-Time of Use** | 42,583 | 15,717,571 | 28 | $225,595 | 7.4% | $16,492 |
| **Residential Class SUBURBAN SEASONAL** | - | 10,256,650 | 1,607 | $892,953 | 29.4% | $65,280 |
| **TOTALS** | | **93,211,530** | **6,825** | **$3,035,466** | **1.00** | **$221,910** |
| | | | 2005 PILs Proxy Amount ==========> | | | $221,910 |

**2005 PILs Proxy amount will be recovered only in the distribution kWh charge (Variable Charge).**

### Residential URBAN Class

| | Variable Charge Recovery | Service Charge Recovery | 2005 PILs Proxy Allocation |
|---|---|---|---|
| (A) Allocated PILs | | | $71,803 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated PILs ($) | $71,803 | $0 | $71,803 |
| (D) Number of kWh | **29,006,946** | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0025 | | |

### General Service URBAN < 50 kW Class

| | Variable Charge Recovery | Service Charge Recovery | 2005 PILs Proxy Allocation |
|---|---|---|---|
| (A) Allocated PILs | | | $15,786 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated PILs ($) | $15,786 | $0 | $15,786 |
| (D) Number of kWh | 8,109,670 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0019 | | |

## SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

## SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

### General Service URBAN > 50 kW Class (Non-Time of Use)

| | Variable Charge Recovery | Service Charge Recovery | 2005 PILs Proxy Allocation |
|---|---|---|---|
| (A) Allocated PILs | | | $16,149 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated PILs ($) | $16,149 | $0 | $16,149 |
| (D) Number of kW | 40,515 | | |
| (E) Incremental Distribution kW Rate ($/kW) | $0.3986 | | |

### 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

| | 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 | | |

### 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 | | | $63 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated PILs ($) | $63 | $0 | $63 |
| (D) Number of kW | 142 | | |
| (E) Incremental Distribution kW Rate ($/kW) | $0.4402 | | |

### Street Lighting Class

| | Variable Charge Recovery | Service Charge Recovery | 2005 PILs Proxy Allocation |
|---|---|---|---|
| (A) Allocated PILs | | | $465 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated PILs ($) | $465 | $0 | $465 |
| (D) Number of kW | 1,716 | | |
| (E) Incremental Distribution kW Rate ($/kW) | $0.2709 | | |

### Residential SUBURBAN Class

| | Variable Charge Recovery | Service Charge Recovery | 2005 PILs Proxy Allocation |
|---|---|---|---|
| (A) Allocated PILs | | | $23,305 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated PILs ($) | $23,305 | $0 | $23,305 |
| (D) Number of kWh | 9,528,861 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0024 | | |

### General Service SUBURBAN < 50 kW Class

| | Variable Charge Recovery | Service Charge Recovery | 2005 PILs Proxy Allocation |
|---|---|---|---|
| (A) Allocated PILs | | | $12,568 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated PILs ($) | $12,568 | $0 | $12,568 |
| (D) Number of kWh | 6,319,002 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0020 | | |

## SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

### General Service SUBURBAN > 50 kW Class (Non-Time of Use)

| | Variable Charge Recovery | Service Charge Recovery | 2005 PILs Proxy Allocation |
|---|---|---|---|
| (A) Allocated PILs | | | $16,492 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated PILs ($) | $16,492 | $0 | $16,492 |
| (D) Number of kW | 42,583 | | |
| (E) Incremental Distribution kW Rate ($/kW) | $0.3873 | | |

### Residential SUBURBAN SEASONALClass

| | Variable Charge Recovery | Service Charge Recovery | 2005 PILs Proxy Allocation |
|---|---|---|---|
| (A) Allocated PILs | | | $65,280 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated PILs ($) | $65,280 | $0 | $65,280 |
| (D) Number of kWh | 10,256,650 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0064 | | |

## SHEET 5 - Rate Schedule including 2005 PILs

| | | |
|---|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | |
| **Phone Number:** | **705-687-2321** **Extension:** | |
| **Date:** | **January 14, 2005** | |

## RESIDENTIAL URBAN

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0197 |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.29 |

## RESIDENTIAL (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KWH RATE | |
| MONTHLY SERVICE CHARGE (Per Customer) | |

## GENERAL SERVICE URBAN < 50 KW

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0191 |
| MONTHLY SERVICE CHARGE (Per Customer) | $11.34 |

## GENERAL SERVICE URBAN > 50 KW (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $5.2120 |
| MONTHLY SERVICE CHARGE (Per Customer) | $26.12 |

## GENERAL SERVICE > 50 KW (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | |
| MONTHLY SERVICE CHARGE (Per Customer) | |

## INTERMEDIATE USE

| | |
|---|---|
| DISTRIBUTION KW RATE | |
| MONTHLY SERVICE CHARGE (Per Customer) | |

## 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 | $0.8909 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.75 |

**OR**

### SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

### STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

**OR**

### STREET LIGHTING (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.3543 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.46 |

### RESIDENTIAL SUBURBAN

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0201 |
| MONTHLY SERVICE CHARGE (Per Customer) | $14.70 |

### GENERAL SERVICE SUBURBAN < 50 KW

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0208 |
| MONTHLY SERVICE CHARGE (Per Customer) | $12.43 |

## SHEET 5 - Rate Schedule including 2005 PILs

### GENERAL SERVICE SUBURBAN > 50 KW (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $5.1899 |
| MONTHLY SERVICE CHARGE (Per Customer) | $26.09 |

### RESIDENTIAL SUBURBAN SEASONAL

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0335 |
| MONTHLY SERVICE CHARGE (Per Customer) | $27.17 |

## SHEET 6 - December 31, 2003 Regulatory Assets

| | | |
|---|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | |
| **Phone Number:** | **705-687-2321** **Extension:** | |
| **Date:** | **January 14, 2005** | |

**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** | $154,909 |
| RSVA - One-time Wholesale Market Service | **1582** | $8,421 |
| RSVA - Retail Transmission Network Charge | **1584** | -$54,999 |
| RSVA - Retail Transmission Connection Charge | **1586** | $92,116 |
| RSVA - Power | **1588** | -$205,463 |
| **Sub-Total for RSVA Accounts** | | -$5,017 |
| **Current Recovery: Amount Entered on Sheet 3, cell G13, of 2004 RAM** | | -$158,069 |
| **Adjusted 2005 Recovery Amount (RSVA Accounts)** | | **$153,052** |

| | | |
|---|---|---|
| Other Regulatory Assets | **1508** | $0 |
| Retail Cost Variance Account - Retail | **1518** | $23,970 |
| Retail Cost Variance Account - STR | **1548** | $6,553 |
| Misc. Deferred Debits - incl. Rebate Cheques | **1525** | $5,766 |
| Deferred Payments in Lieu of Taxes | **1562** | $96,159 |
| *PILs Contra Account* | **1563** | $0 |
| Qualifing Transition Costs | **1570** | $109,631 |
| Pre-Market Opening Energy Variances Total | **1571** | $289,537 |
| Extra-Ordinary Event Losses | **1572** | $0 |
| Deferred Rate Impact Amounts | **1574** | $0 |
| Other Deferred Credits | **2425** | -$204,421 |
| **Sub-Total for Non-RSVA Regulatory Asset Accounts** | | $327,196 |
| **Current Recovery: Amount Entered on Sheet 5, cell G14, of 2004 RAM** | | $306,615 |
| **Adjusted 2005 Recovery Amount (Non-RSVA Accounts)** | | **$20,582** |

| | |
|---|---|
| **Total Adjusted Regulatory Assets** | $173,634 |

| | |
|---|---|
| **33% of Total Adjusted Regulatory Assets** | **$57,877.98** |

# 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) | $153,052 |
| 33% of Total Adjusted Regulatory Assets | (b) | $57,878 |
| Remaining Final Amount to be recovered in future periods (a) - (b) | | **$95,174** |

| 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:** | **Gravenhurst Hydro Electric** | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | |
| **Phone Number:** | **705-687-2321** **Extension:** | |
| **Date:** | **January 14, 2005** | |

**Approved Regulatory Asset Recovery from Sheet 4** ***(either from Section 1 or Section 2)*** **$ 57,877.98**

**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 URBAN** | - | 29,006,946 | 2,868 | $982,175 | 31.1% | $18,011 |
| **General Service URBAN < 50 KW Class** | - | 8,109,670 | 374 | $215,930 | 8.7% | $5,036 |
| **General Service URBAN > 50 KW Non-Time of Use** | 40,515 | 13,600,396 | 29 | $220,896 | 14.6% | $8,445 |
| **General Service > 50 KW Time of Use** | 0 | 0 | 0 | $0 | 0.0% | $0 |
| **Intermediate Use** | 0 | 0 | 0 | $0 | 0.0% | $0 |
| **Large Class User** | 0 | 0 | 0 | $0 | 0.0% | $0 |
| **Sentinel Lights** | 142 | 51,040 | 78 | $855 | 0.1% | $32 |
| **Street Lighting** | 1,716 | 621,394 | 911 | $6,360 | 0.7% | $386 |
| **Residential Class SUBURBAN** | - | 9,528,861 | 664 | $318,783 | 10.2% | $5,917 |
| **General Service SUBURBAN < 50 KW Class** | - | 6,319,002 | 266 | $171,918 | 6.8% | $3,924 |
| **General Service SUBURBAN > 50 KW Non-Time of Use** | 42,583 | 15,717,571 | 28 | $225,595 | 16.9% | $9,760 |
| **Residential Class SUBURBAN SEASONAL** | - | 10,256,650 | 1,607 | $892,953 | 11.0% | $6,369 |
| **TOTALS** | | **93,211,530** | **6,825** | **$3,035,465.73** | **1.00** | **$57,878** |
| | | | Allocated Total for RSVA accounts ==========> | | | $57,878 |

**Regulatory Assets will be recovered only in the distribution variable charge ($/kWh or $/kW).**

### Residential URBAN Class

| | Variable Charge Recovery | Service Charge Recovery | 2003 RSVA Allocation |
|---|---|---|---|
| (A) Allocated RSVA | | | $18,011 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated RSVA ($) | $18,011 | $0 | $18,011 |
| (D) Number of kWh | 29,006,946 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0006 | | |

### General Service URBAN < 50 kW Class

| | Variable Charge Recovery | Service Charge Recovery | 2003 RSVA Allocation |
|---|---|---|---|
| (A) Allocated RSVA | | | $5,036 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated RSVA ($) | $5,036 | $0 | $5,036 |
| (D) Number of kWh | 8,109,670 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0006 | | |

## SHEET 7 - Calculating Rate Increases due to interim RSVA Regulatory Assets

### General Service URBAN > 50 kW Class (Non-Time of Use)

| | Variable Charge Recovery | Service Charge Recovery | 2003 RSVA Allocation |
|---|---|---|---|
| (A) Allocated RSVA | | | $8,445 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated RSVA ($) | $8,445 | $0 | $8,445 |
| (D) Number of kW | 40,515 | | |
| (E) Incremental Distribution kW Rate ($/kW) | $0.2084 | | |

### 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

| | 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 | | |

### 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 | | | $32 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated RSVA ($) | $32 | $0 | $32 |
| (D) Number of kW | 142 | | |
| (E) Incremental Distribution kW Rate ($/kW) | $0.2232 | | |

### Street Lighting Class

| | Variable Charge Recovery | Service Charge Recovery | 2003 RSVA Allocation |
|---|---|---|---|
| (A) Allocated RSVA | | | $386 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated RSVA ($) | $386 | $0 | $386 |
| (D) Number of kW | 1,716 | | |
| (E) Incremental Distribution kW Rate ($/kW) | $0.2249 | | |

### Residential SUBURBAN Class

| | Variable Charge Recovery | Service Charge Recovery | 2003 RSVA Allocation |
|---|---|---|---|
| (A) Allocated RSVA | | | $5,917 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated RSVA ($) | $5,917 | $0 | $5,917 |
| (D) Number of kWh | 9,528,861 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0006 | | |

### General Service SUBURBAN < 50 kW Class

| | Variable Charge Recovery | Service Charge Recovery | 2003 RSVA Allocation |
|---|---|---|---|
| (A) Allocated RSVA | | | $3,924 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated RSVA ($) | $3,924 | $0 | $3,924 |
| (D) Number of kWh | 6,319,002 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0006 | | |

## SHEET 7 - Calculating Rate Increases due to interim RSVA Regulatory Assets

### General Service SUBURBAN > 50 kW Class (Non-Time of Use)

| | Variable Charge Recovery | Service Charge Recovery | 2003 RSVA Allocation |
|---|---|---|---|
| (A) Allocated RSVA | | | $9,760 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated RSVA ($) | $9,760 | $0 | $9,760 |
| (D) Number of kW | 42,583 | | |
| (E) Incremental Distribution kW Rate ($/kW) | $0.2292 | | |

### Residential SUBURBAN SEASONALClass

| | Variable Charge Recovery | Service Charge Recovery | 2003 RSVA Allocation |
|---|---|---|---|
| (A) Allocated RSVA | | | $6,369 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated RSVA ($) | $6,369 | $0 | $6,369 |
| (D) Number of kWh | 10,256,650 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0006 | | |

## SHEET 8 - Calculating Rate Increases due to interim Non-RSVA Regulatory Assets

| | | | |
|---|---|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** | | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | | |
| **Phone Number:** | **705-687-2321** | **Extension:** | |
| **Date:** | **January 14, 2005** | | |

**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 URBAN** | - | 29,006,946 | 2,868 | $982,175 | 32.4% | $0 |
| **General Service URBAN < 50 KW Class** | - | 8,109,670 | 374 | $215,930 | 7.1% | $0 |
| **General Service URBAN > 50 KW Non-Time of Use** | 40,515 | 13,600,396 | 29 | $220,896 | 7.3% | $0 |
| **General Service > 50 KW Time of Use** | 0 | 0 | 0 | $0 | 0.0% | $0 |
| **Intermediate Use** | 0 | 0 | 0 | $0 | 0.0% | $0 |
| **Large Class User** | 0 | 0 | 0 | $0 | 0.0% | $0 |
| **Sentinel Lights** | 142 | 51,040 | 78 | $855 | 0.0% | $0 |
| **Street Lighting** | 1,716 | 621,394 | 911 | $6,360 | 0.2% | $0 |
| **Residential Class SUBURBAN** | - | 9,528,861 | 664 | $318,783 | 10.5% | $0 |
| **General Service SUBURBAN < 50 KW Class** | - | 6,319,002 | 266 | $171,918 | 5.7% | $0 |
| **General Service SUBURBAN > 50 KW Non-Time of Use** | 42,583 | 15,717,571 | 28 | $225,595 | 7.4% | $0 |
| **Residential Class SUBURBAN SEASONAL** | - | 10,256,650 | 1,607 | $892,953 | 29.4% | $0 |
| **TOTALS** | | **93,211,530** | **6,825** | **$3,035,466** | **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 URBAN 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 | $0 |
| (D) Number of kWh | 29,006,946 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0000 | | |

### General Service URBAN < 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 | $0 |
| (D) Number of kWh | 8,109,670 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0000 | | |

## SHEET 8 - Calculating Rate Increases due to interim Non-RSVA Regulatory Assets

### General Service URBAN > 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 | $0 |
| (D) Number of kW | 40,515 | | |
| (E) Incremental Distribution kW Rate ($/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

| | 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 | | |

### 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 | $0 |
| (D) Number of kW | 142 | | |
| (E) Incremental Distribution kW Rate ($/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 | $0 |
| (D) Number of kW | 1,716 | | |
| (E) Incremental Distribution kW Rate ($/kW) | $0.0000 | | |

### Residential SUBURBAN 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 | $0 |
| (D) Number of kWh | 9,528,861 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0000 | | |

### General Service SUBURBAN < 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 | $0 |
| (D) Number of kWh | 6,319,002 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0000 | | |

### General Service SUBURBAN > 50 kW Class (Non-Time of Use)

| | Variable Charge Recovery | Service Charge Recovery | 2003 RSVA Allocation |
|---|---|---|---|

## SHEET 8 - Calculating Rate Increases due to interim Non-RSVA Regulatory Assets

| | | | |
|---|---|---|---|
| (A) Allocated RSVA | | | $0 |
| (B) Fixed-Variable Split (%) | 100% | 0% | 100% |
| (C) Re-Allocated RSVA ($) | $0 | $0 | $0 |
| (D) Number of kW | 42,583 | | |
| (E) Incremental Distribution kW Rate ($/kW) | $0.0000 | | |

**Residential SUBURBAN SEASONALClass**

| | 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 | $0 |
| (D) Number of kWh | 10,256,650 | | |
| (E) Incremental Distribution kWh Rate ($/kWh) | $0.0000 | | |

## SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Assets

| | | |
|---|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | |
| **Phone Number:** | **705-687-2321** **Extension:** | |
| **Date:** | **January 14, 2005** | |

### RESIDENTIAL URBAN

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0203 |
| MONTHLY SERVICE CHARGE (Per Customer) | $10.29 |

### RESIDENTIAL (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KWH RATE | |
| MONTHLY SERVICE CHARGE (Per Customer) | |

### GENERAL SERVICE URBAN < 50 KW

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0198 |
| MONTHLY SERVICE CHARGE (Per Customer) | $11.34 |

### GENERAL SERVICE URBAN > 50 KW (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $5.4204 |
| MONTHLY SERVICE CHARGE (Per Customer) | $26.12 |

### GENERAL SERVICE > 50 KW (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | |
| MONTHLY SERVICE CHARGE (Per Customer) | |

### INTERMEDIATE USE

| | |
|---|---|
| DISTRIBUTION KW RATE | |
| MONTHLY SERVICE CHARGE (Per Customer) | |

# 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 | $1.1140 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.75 |

**OR**

## SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

## STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

**OR**

## STREET LIGHTING (TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $0.5792 |
| MONTHLY SERVICE CHARGE (Per Connection) | $0.46 |

## RESIDENTIAL SUBURBAN

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0207 |
| MONTHLY SERVICE CHARGE (Per Customer) | $14.70 |

## GENERAL SERVICE SUBURBAN < 50 KW

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0215 |
| MONTHLY SERVICE CHARGE (Per Customer) | $12.43 |

## SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Assets

### GENERAL SERVICE SUBURBAN > 50 KW (NON TIME OF USE)

| | |
|---|---|
| DISTRIBUTION KW RATE | $5.4191 |
| MONTHLY SERVICE CHARGE (Per Customer) | $26.09 |

### RESIDENTIAL SUBURBAN SEASONAL

| | |
|---|---|
| DISTRIBUTION KWH RATE | $0.0341 |
| MONTHLY SERVICE CHARGE (Per Customer) | $27.17 |

## SHEET 10 - Phase 2 Final Rate Riders

| | | | |
|---|---|---|---|
| Name of Utility: | Gravenhurst Hydro Electric | | 2005.V1.0 |
| License Number: | ED-1999-0277 | | RP-2005-0013 |
| Name of Contact: | Patrick Mistal | | EB-2005-0030 |
| E- Mail Address: | pmistal@on.aibn.com | | |
| Phone Number: | 705-687-2321 | Extension: | |
| Date: | January 14, 2005 | | |

**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 URBAN | |
| General Service URBAN < 50 KW Class | |
| General Service URBAN > 50 KW Non-Time of Use | |
| General Service > 50 KW Time of Use | |
| Intermediate Use | |
| Large Class User | |
| Sentinel Lights | |
| Street Lighting | |

**Gravenhurst Hydro Electric**
**RP-2005-0013 EB-2005-0030**
**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 URBAN**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $10.29 |
| Distribution Volumetric Rate | (per kWh) | $0.0203 |

**RESIDENTIAL (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | |
| Distribution Volumetric Rate | (per kWh) | |

**GENERAL SERVICE URBAN < 50 KW**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $11.34 |
| Distribution Volumetric Rate | (per kWh) | $0.0198 |

**GENERAL SERVICE URBAN > 50 KW (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $26.12 |
| Distribution Volumetric Rate | (per kW) | $5.4204 |

**GENERAL SERVICE > 50 KW (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | |
| Distribution Volumetric Rate | (per kW) | |

**INTERMEDIATE USE**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | |
| Distribution Volumetric Rate | (per kW) | |

**LARGE USE**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | |
| Distribution Volumetric Rate | (per kW) | |

**SENTINEL LIGHTS (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.75 |
| Distribution Volumetric Rate | (per kW) | $1.1140 |

**Gravenhurst Hydro Electric**
**RP-2005-0013 EB-2005-0030**
**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) | |
| Distribution Volumetric Rate | (per kW) | |

**STREET LIGHTING (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.46 |
| Distribution Volumetric Rate | (per kW) | $0.5792 |

**RESIDENTIAL SUBURBAN**

**Gravenhurst Hydro Electric**
**RP-2005-0013 EB-2005-0030**
**Schedule of Changed Distribution Rates and Charges**
*Effective April 1, 2005 until April 30, 2006*

**RESIDENTIAL URBAN**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $10.29 |
| Distribution Volumetric Rate | (per kWh) | $0.0203 |

**GENERAL SERVICE URBAN < 50 KW**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $11.34 |
| Distribution Volumetric Rate | (per kWh) | $0.0198 |

**GENERAL SERVICE URBAN > 50 KW (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $26.12 |
| Distribution Volumetric Rate | (per kW) | $5.4204 |

**SENTINEL LIGHTS (Non Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.75 |
| Distribution Volumetric Rate | (per kW) | $1.1140 |

**STREET LIGHTING (Time of Use)**

| | | |
|---|---|---|
| Monthly Service Charge | (per month) | $0.46 |
| Distribution Volumetric Rate | (per kW) | $0.5792 |

**RESIDENTIAL SUBURBAN**

## SHEET 12 - Current Rates as of April 1, 2004

| | | |
|---|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | |
| **Phone Number:** | **705-687-2321 Extension:** | |
| **Date:** | **January 14, 2005** | |

**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 URBAN

| | |
|---|---|
| Distribution kWh Rate | $0.0183 |
| Monthly Service Charge (Per Customer) | $12.17 |

### RESIDENTIAL (TIME OF USE)

| | |
|---|---|
| Distribution kWh Rate | |
| Monthly Service Charge (Per Customer) | |

### GENERAL SERVICE URBAN < 50 KW

| | |
|---|---|
| Distribution kWh Rate | $0.0174 |
| Monthly Service Charge (Per Customer) | $13.72 |

### GENERAL SERVICE URBAN > 50 KW (NON TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | $4.6999 |
| Monthly Service Charge (Per Customer) | $30.94 |

### GENERAL SERVICE > 50 KW (TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | |
| Monthly Service Charge (Per Customer) | |

### INTERMEDIATE USE

| | |
|---|---|
| Distribution KW Rate | |
| Monthly Service Charge (Per Customer) | |

## SHEET 12 - Current Rates as of April 1, 2004

### LARGE USE

| | |
|---|---|
| Distribution KW Rate | |
| Monthly Service Charge (Per Customer) | |

### SENTINEL LIGHTS (NON TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | $0.0479 |
| Monthly Service Charge (Per Customer) | $0.80 |

**OR**

### SENTINEL LIGHTS (TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | |
| Monthly Service Charge (Per Customer) | |

### STREET LIGHTING (NON TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | |
| Monthly Service Charge (Per Customer) | |

**OR**

### STREET LIGHTING (TIME OF USE)

| | |
|---|---|
| Distribution KW Rate | $0.0151 |
| Monthly Service Charge (Per Customer) | $0.44 |

# Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

| | | |
|---|---|---|
| **Name of Utility:** | **Gravenhurst Hydro Electric** | **2005.V1.0** |
| **License Number:** | **ED-1999-0277** | **RP-2005-0013** |
| **Name of Contact:** | **Patrick Mistal** | **EB-2005-0030** |
| **E- Mail Address:** | **pmistal@on.aibn.com** | |
| **Phone Number:** | **705-687-2321** **Extension:** | |
| **Date:** | **January 14, 2005** | |

## *Monthly Consumption*

## RESIDENTIAL URBAN 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 ($)** | **IMPACT (%)** |
| **100** | Monthly Service Charge | N/A | N/A | **$ 12.17** | Monthly Service Charge | N/A | N/A | **$ 10.29** | | |
| | Distribution (kWh) | 100 | **$ 0.0183** | $ 1.83 | Distribution (kWh) | 100 | **$ 0.0203** | $ 2.03 | | |
| | | | **Sub-Total** | **$ 14.00** | | | **Sub Total** | **$ 12.32** | **$ (1.68)** | **-11.98%** |
| | 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 2005 Bill** | | | **$ 21.09** | **Adjusted 2006 BILL** | | | **$ 19.41** | **$ (1.68)** | **-7.95%** |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **ENTER DESIRED CONSUMPTION LEVEL (kWh)** | | **kWh** | **RATE $/kWh** | **CHARGE ($)** | | **kWh** | **RATE $/kWh** | **CHARGE ($)** | **IMPACT ($)** | **IMPACT (%)** |
| **250** | Monthly Service Charge | N/A | N/A | **$ 12.17** | Monthly Service Charge | N/A | N/A | **$ 10.29** | | |
| | Distribution (kWh) | 250 | **$0.0183** | $ 4.56 | Distribution (kWh) | 250 | **$ 0.0203** | $ 5.07 | | |
| | | | **Sub-Total** | **$ 16.73** | | | **Sub Total** | **$ 15.36** | **$ (1.37)** | **-8.20%** |
| | 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 2005 Bill** | | | **$ 34.46** | **Adjusted 2006 BILL** | | | **$ 33.09** | **$ (1.37)** | **-3.98%** |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **ENTER DESIRED CONSUMPTION LEVEL (kWh)** | | **kWh** | **RATE $/kWh** | **CHARGE ($)** | | **kWh** | **RATE $/kWh** | **CHARGE ($)** | **IMPACT ($)** | **IMPACT (%)** |
| **500** | Monthly Service Charge | N/A | N/A | **$ 12.17** | Monthly Service Charge | N/A | N/A | **$ 10.29** | | |
| | Distribution (kWh) | 500 | **$0.0183** | $ 9.13 | Distribution (kWh) | 500 | **$ 0.0203** | $ 10.14 | | |
| | | | **Sub-Total** | **$ 21.30** | | | **Sub Total** | **$ 20.43** | **$ (0.86)** | **-4.06%** |
| | 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 2005 Bill** | | | **$ 56.75** | **Adjusted 2006 BILL** | | | **$ 55.88** | **$ (0.86)** | **-1.52%** |

# 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 | $ 12.17 | Monthly Service Charge | N/A | N/A | $ 10.29 | | |
| | Distribution (kWh) | 750 | $0.0183 | $ 13.69 | Distribution (kWh) | 750 | 0.0203 | $ 15.22 | | |
| | | | Sub-Total | $ 25.86 | | | Sub Total | $ 25.51 | $ (0.36) | -1.38% |
| | 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 2005 Bill | | | $ 79.04 | Adjusted 2006 BILL | | | $ 78.68 | $ (0.36) | -0.45% |

| ENTER DESIRED CONSUMPTION LEVEL (kWh) | | kWh | RATE $/kWh | CHARGE ($) | | kWh | RATE $/kWh | CHARGE ($) | IMPACT ($) | IMPACT (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1,000 | Monthly Service Charge | N/A | N/A | $ 12.17 | Monthly Service Charge | N/A | N/A | $ 10.29 | | |
| | Distribution (kWh) | 1000 | $0.0183 | $ 18.26 | Distribution (kWh) | 1000 | 0.0203 | $ 20.29 | | |
| | | | Sub-Total | $ 30.43 | | | Sub Total | $ 30.58 | $ 0.15 | 0.50% |
| | 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 2005 Bill | | | $ 103.33 | Adjusted 2006 BILL | | | $ 103.48 | $ 0.15 | 0.15% |

| ENTER DESIRED CONSUMPTION LEVEL (kWh) | | kWh | RATE $/kWh | CHARGE ($) | | kWh | RATE $/kWh | CHARGE ($) | IMPACT ($) | IMPACT (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1,500 | Monthly Service Charge | N/A | N/A | $ 12.17 | Monthly Service Charge | N/A | N/A | $ 10.29 | | |
| | Distribution (kWh) | 1500 | $0.0183 | $ 27.39 | Distribution (kWh) | 1500 | 0.0203 | $ 30.43 | | |
| | | | Sub-Total | $ 39.56 | | | Sub Total | $ 40.72 | $ 1.17 | 2.95% |
| | 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 2005 Bill | | | $ 151.91 | Adjusted 2006 BILL | | | $ 153.07 | $ 1.17 | 0.77% |

| ENTER DESIRED CONSUMPTION LEVEL (kWh) | | kWh | RATE $/kWh | CHARGE ($) | | kWh | RATE $/kWh | CHARGE ($) | IMPACT ($) | IMPACT (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| 2,000 | Monthly Service Charge | N/A | N/A | $ 12.17 | Monthly Service Charge | N/A | N/A | $ 10.29 | | |
| | Distribution (kWh) | 2000 | $0.0183 | $ 36.51 | Distribution (kWh) | 2000 | 0.0203 | $ 40.58 | | |
| | | | Sub-Total | $ 48.68 | | | Sub Total | $ 50.87 | $ 2.18 | 4.48% |
| | 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 2005 Bill | | | $ 200.48 | Adjusted 2006 BILL | | | $ 202.67 | $ 2.18 | 1.09% |

# Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

## GENERAL SERVICE URBAN < 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 ($)** | **IMPACT (%)** |
| **1,000** | | | | | | | | | | |
| | Monthly Service Charge | N/A | N/A | **$ 13.72** | Monthly Service Charge | N/A | N/A | **$ 11.34** | | |
| | Distribution (kWh) | 1000 | **$ 0.0174** | $ 17.41 | Distribution (kWh) | 1000 | **$ 0.0198** | $ 19.76 | | |
| | | | **Sub-Total** | **$ 31.13** | | | **Sub Total** | **$ 31.09** | **$ (0.04)** | **-0.13%** |
| | 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 2005 Bill** | | | **$ 101.03** | **Adjusted 2006 BILL** | | | **$ 100.99** | **$ (0.04)** | **-0.04%** |

| **ENTER DESIRED CONSUMPTION LEVEL (kWh)** | | **kWh** | **RATE $/kWh** | **CHARGE ($)** | | **kWh** | **RATE $/kWh** | **CHARGE ($)** | **IMPACT ($)** | **IMPACT (%)** |
|---|---|---|---|---|---|---|---|---|---|---|
| **2,000** | | | | | | | | | | |
| | Monthly Service Charge | N/A | N/A | **$ 13.72** | Monthly Service Charge | N/A | N/A | **$ 11.34** | | |
| | Distribution (kWh) | 2000 | **$0.0174** | $ 34.83 | Distribution (kWh) | 2000 | **$0.0198** | $ 39.52 | | |
| | | | **Sub-Total** | **$ 48.55** | | | **Sub Total** | **$ 50.85** | **$ 2.30** | **4.74%** |
| | 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 2005 Bill** | | | **$ 198.35** | **Adjusted 2006 BILL** | | | **$ 200.65** | **$ 2.30** | **1.16%** |

| **ENTER DESIRED CONSUMPTION LEVEL (kWh)** | | **kWh** | **RATE $/kWh** | **CHARGE ($)** | | **kWh** | **RATE $/kWh** | **CHARGE ($)** | **IMPACT ($)** | **IMPACT (%)** |
|---|---|---|---|---|---|---|---|---|---|---|
| **5,000** | | | | | | | | | | |
| | Monthly Service Charge | N/A | N/A | **$ 13.72** | Monthly Service Charge | N/A | N/A | **$ 11.34** | | |
| | Distribution (kWh) | 5000 | **$0.0174** | $ 87.07 | Distribution (kWh) | 5000 | **$0.0198** | $ 98.79 | | |
| | | | **Sub-Total** | **$ 100.79** | | | **Sub Total** | **$ 110.13** | **$ 9.33** | **9.26%** |
| | 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 2005 Bill** | | | **$ 484.29** | **Adjusted 2006 BILL** | | | **$ 493.63** | **$ 9.33** | **1.93%** |

# 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 | $ 13.72 | Monthly Service Charge | N/A | N/A | $ 11.34 | | |
| | Distribution (kWh) | 10000 | $0.0174 | $ 174.14 | Distribution (kWh) | 10000 | $0.0198 | $ 197.58 | | |
| | | | Sub-Total | $ 187.86 | | | Sub Total | $ 208.92 | $ 21.05 | 11.21% |
| | 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 2005 Bill | | | $ 960.86 | Adjusted 2006 BILL | | | $ 981.92 | $ 21.05 | 2.19% |

| ENTER DESIRED CONSUMPTION LEVEL (kWh) | | kWh | RATE $/kWh | CHARGE ($) | | kWh | RATE $/kWh | CHARGE ($) | IMPACT ($) | IMPACT (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| 15,000 | Monthly Service Charge | N/A | N/A | $ 13.72 | Monthly Service Charge | N/A | N/A | $ 11.34 | | |
| | Distribution (kWh) | 15000 | $0.0174 | $ 261.22 | Distribution (kWh) | 15000 | $0.0198 | $ 296.37 | | |
| | | | Sub-Total | $ 274.94 | | | Sub Total | $ 307.71 | $ 32.77 | 11.92% |
| | 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 2005 Bill | | | $ 1,437.44 | Adjusted 2006 BILL | | | $ 1,470.21 | $ 32.77 | 2.28% |

## GENERAL SERVICE URBAN > 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 | $ 30.94 | Monthly Service Charge | N/A | N/A | $ 26.12 | | |
| kWh | Distribution (kW) | 60 | $4.6999 | $ 282.00 | Distribution (kW) | 60 | $5.4204 | $ 325.23 | | |
| 15,000 | | | Sub-Total | $ 312.94 | | | Sub Total | $ 351.34 | $ 38.41 | 12.27% |
| | 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) | 750 | $0.0550 | $ 41.25 | Cost of Power (kWh) | 750 | $0.0550 | $ 41.25 | | |
| | Current 2005 Bill | | | $ 786.79 | Adjusted 2006 BILL | | | $ 825.19 | $ 38.41 | 4.88% |

# 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 | $ 30.94 | Monthly Service Charge | N/A | N/A | $ 26.12 | | |
| kWh | Distribution (kW) | 100 | $4.6999 | $ 469.99 | Distribution (kW) | 100 | $5.4204 | $ 542.04 | | |
| 40,000 | | | Sub-Total | $ 500.93 | | | Sub Total | $ 568.16 | $ 67.23 | 13.42% |
| | 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 2005 Bill | | | $ 3,619.93 | Adjusted 2006 BILL | | | $ 3,687.16 | $ 67.23 | 1.86% |

| 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 | $ 30.94 | Monthly Service Charge | N/A | N/A | $ 26.12 | | |
| kWh | Distribution (kW) | 500 | $4.6999 | $ 2,349.97 | Distribution (kW) | 500 | $5.4204 | $ 2,710.22 | | |
| 100,000 | | | Sub-Total | $ 2,380.91 | | | Sub Total | $ 2,736.33 | $ 355.43 | 14.93% |
| | 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 2005 Bill | | | $ 11,155.91 | Adjusted 2006 BILL | | | $ 11,511.33 | $ 355.43 | 3.19% |

| 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 | $ 30.94 | Monthly Service Charge | N/A | N/A | $ 26.12 | | |
| kWh | Distribution (kW) | 1,000 | $4.6999 | $ 4,699.93 | Distribution (kW) | 1000 | 5.4204 | $ 5,420.43 | | |
| 400,000 | | | Sub-Total | $ 4,730.87 | | | Sub Total | $ 5,446.55 | $ 715.68 | 15.13% |
| | 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 2005 Bill | | | $ 35,920.87 | Adjusted 2006 BILL | | | $ 36,636.55 | $ 715.68 | 1.99% |

# 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 (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| 3,000 | Monthly Service Charge | N/A | N/A | $ 30.94 | Monthly Service Charge | N/A | N/A | $ 26.12 | | |
| kWh | Distribution (kW) | 3,000 | $4.6999 | $ 14,099.80 | Distribution (kW) | 3000 | 5.4204 | $ 16,261.29 | | |
| 1,000,000 | | | Sub-Total | $ 14,130.74 | | | Sub Total | $ 16,287.41 | $ 2,156.68 | 15.26% |
| | 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 2005 Bill | | | $ 94,060.74 | Adjusted 2006 BILL | | | $ 96,217.41 | $ 2,156.68 | 2.29% |

## INTERMEDIATE CLASS (> 3000 KW to 5000 KW)

*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 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 (%) |
| 3,000 | Monthly Service Charge | N/A | N/A | $ - | Monthly Service Charge | N/A | N/A | | | |
| kWh | Distribution (kW) | 3,000 | $0.0000 | $ - | Distribution (kW) | 3000 | | #VALUE! | | |
| 800,000 | | | Sub-Total | $ - | | | Sub Total | #VALUE! | #VALUE! | #VALUE! |
| | Other Charges (kW) | 3,000 | 4.2138 | $ 12,641.40 | Other Charges (kWh) | 3,000.00 | 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 2005 Bill | | | $ 67,201.40 | Adjusted 2006 BILL | | | #VALUE! | #VALUE! | #VALUE! |

| ENTER DESIRED CONSUMPTION LEVEL kW | | kW/ kWh | RATE $/kW or $/kWh | CHARGE ($) | | kW/ kWh | RATE $/kW or $/kWh | CHARGE ($) | IMPACT ($) | IMPACT (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| 3,000 | Monthly Service Charge | N/A | N/A | $ - | Monthly Service Charge | N/A | N/A | | | |
| kWh | Distribution (kW) | 3,000 | $0.0000 | $ - | Distribution (kW) | 3000 | | #VALUE! | | |
| 1,000,000 | | | Sub-Total | $ - | | | Sub Total | #VALUE! | #VALUE! | #VALUE! |
| | Other Charges (kW) | 3,000 | 4.2138 | $ 12,641.40 | Other Charges (kWh) | 3,000.00 | 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 2005 Bill | | | $ 80,841.40 | Adjusted 2006 BILL | | | #VALUE! | #VALUE! | #VALUE! |

| ENTER DESIRED CONSUMPTION LEVEL kW | | kW/ kWh | RATE $/kW or $/kWh | CHARGE ($) | | kW/ kWh | RATE $/kW or $/kWh | CHARGE ($) | IMPACT ($) | IMPACT (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| 4,000 | Monthly Service Charge | N/A | N/A | $ - | Monthly Service Charge | N/A | N/A | | | |
| kWh | Distribution (kW) | 4,000 | $0.0000 | $ - | Distribution (kW) | 4000 | | #VALUE! | | |
| 1,200,000 | | | Sub-Total | $ - | | | Sub Total | #VALUE! | #VALUE! | #VALUE! |
| | Other Charges (kW) | 4,000 | 4.2138 | $ 16,855.20 | Other Charges (kWh) | 4,000.00 | 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 2005 Bill | | | $ 98,695.20 | Adjusted 2006 BILL | | | #VALUE! | #VALUE! | #VALUE! |

# 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 (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| 4,000 | Monthly Service Charge | N/A | N/A | $ - | Monthly Service Charge | N/A | N/A | | | |
| kWh | Distribution (kW) | 4,000 | $0.0000 | $ - | Distribution (kW) | 4000 | | #VALUE! | | |
| 1,800,000 | | | Sub-Total | $ - | | | Sub Total | #VALUE! | #VALUE! | #VALUE! |
| | Other Charges (kW) | 4,000 | 4.2138 | $ 16,855.20 | Other Charges (kWh) | 4,000.00 | 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 2005 Bill | | | $ 139,615.20 | Adjusted 2006 BILL | | | #VALUE! | #VALUE! | #VALUE! |

## 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 2005 Bill | | | $ 191,244.21 | Adjusted 2006 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 2005 Bill | | | $ 682,710.54 | Adjusted 2006 BILL | | | $ 682,710.54 | $ - | 0.00% |

# Appendix 4 of 6

# Notices of Assessment

Canada Revenue Agency | Agence du revenu du Canada

Sudbury ON P3A 5C1



| | |
|---|---|
| Date of mailing | July 18, 2006 |
| Business Number | 89108 5615 RC0001 |
| Taxation year-end | October 31, 2005 |

0002805

VERIDIAN CONNECTIONS INC
55 TAUNTON ROAD EAST
AJAX ON L1T 3V3

## CORPORATION NOTICE OF ASSESSMENT

**Re: The Income of** GRAVENHURST HYDRO ELECTRIC INC

### RESULTS

This notice explains the results of our assessment of the T2 Corporation Income Tax 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.

CP3995 F/6

Canada Revenue Agency | Agence du revenu du Canada

Sudbury ON P3A 5C1



| | |
|---|---|
| Date of mailing | July 18, 2006 |
| Business Number | 89108 5615 RC0001 |
| Taxation year-end | November 21, 2005 |

VERIDIAN CONNECTIONS INC
55 TAUNTON ROAD EAST
AJAX ON L1T 3V3

0002802

## CORPORATION NOTICE OF ASSESSMENT

**Re: The Income of GRAVENHURST HYDRO ELECTRIC INC**

### RESULTS

This notice explains the results of our assessment of the T2 Corporation Income Tax 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.

# Appendix 5 of 6

# Tax Returns

# 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 891085615RC0001

**002 Corporation's name**

GRAVENHURST HYDRO ELECTRIC INC

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 [X] 2 No [ ]

011 195 PROGRESS DRIVE

012 P.O.Box 250

City: 015 GRAVENHURST

Province, territory, or state: 016 ON

Country (other than Canada): 017

Postal Code/ZIP code: 018 P1P-1T6

**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: 025

Province, territory, or state: 026

Country (other than Canada): 027

Postal code/ZIP code: 028

**Location of books and records**

031 195 PROGRESS DRIVE

032 P.O.Box 250

City: 035 GRAVENHURST

Province, territory, or state: 036 ON

Country (other than Canada): 037

Postal Code/ZIP code: 038 P1P-1T6

**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 (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: 060 2001-10-01 YYYY/MM/DD

Taxation year end: 061 2001-12-31 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*, 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 [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*, 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 [X]

**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?**

If *yes*, please provide Schedule 91 ..... 082 1 Yes [ ] 2 No [X]

**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 | X | 9 |
| 28 | Does the corporation have any non-resident shareholders? | 151 | | 19 |
| 29 | Is the corporation an associated Canadian-controlled private corporation? | 160 | X | 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 | X | 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 | X | 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 | X | 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 |

## 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 | DISTR OF ELECTRICITY | 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 | -1,258 | 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 0 C

**Reduction to business limit:**

Amount C 0 x 415 ** 0 D / 11,250 = ..... 0 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 0 F

**Small business deduction** - 16.00% of the least of amounts A, B, C, and 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 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) ..... 0 x 3/2 = 0 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 ..... 0 O
(enter amount O on line 637 of page 7)

* 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
GRAVENHURST HYDRO ELECTRIC INC

Business Number
891085615RC0001

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

Part I tax otherwise payable ..... 0 c

0 6

(line A **plus** lines C and D **minus** line F)

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: GRAVENHURST HYDRO ELECTRIC INC

Business Number: 891085615RC0001

Taxation year-end: 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 |
| 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 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 McEachern (Last name in block letters) 951 George (First name in block letters) 954 President (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 956 705-687-2321 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 Cheryl Hunter (Name in block letters) 959 705-687-2321 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 ☐

GRAVENHURST HYDRO ELECTRIC INC — Sch. 001

Account/Business No.: 891085615RC0001 — 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 | | | | -41,136 A |
| **Additions:** | | | | |
| Amortization of tangible assets | | 104 | 131,528 | |
| Charitable donations from Schedule 2 | | 112 | 30 | |
| Non-deductible meals and entertainment expenses | | 121 | 615 | |
| Subtotal of additions | | | 132,173 | 132,173 |
| **Other Additions:** | | | | |
| **Miscellaneous Other Additions:** | | | | |
| 600 FUNDS FROM DEVELOPERS RE: 12(1)(x) | | 290 | 47,791 | |
| 601 EMPLOYEE FUTURE BENEFITS EXPENSED | | 291 | 1,672 | |
| 602 TOOLS < $200 EXPENSED | | 292 | 493 | |
| 603a AMORTIZATION OF FINANCING CHARGE | 4,396 | | | |
| 603b | 0 | | | |
| | 4,396 | 293 | 4,396 | |
| 604a | 0 | | | |
| 604b | 0 | | | |
| | 0 | 294 | 0 | |
| Subtotal of Other Additions | | 199 | 54,352 | 54,352 |
| **Total Additions** | | 500 | 186,525 | 186,525 |
| **Deductions:** | | | | |
| Gain on disposal of assets per financial statements | | 401 | 2,000 | |
| Capital cost allowance from Schedule 8 | | 403 | 76,377 | |
| Cumulative eligible capital deduction from Schedule 10 | | 405 | 6,207 | |
| Subtotal of Deductions | | | 84,584 | 84,584 |
| **Other Deductions:** | | | | |
| **Miscellaneous Other Deductions:** | | | | |
| 700 FUNDS FROM DEVELOPERS SS13(7.4) ELECTION | | 390 | 47,791 | |
| 701 EMPLOYEE FUTURE BENEFITS PAID | | 391 | 1,514 | |
| 702 FINANCE COSTS 20(1)(e) | | 392 | 1,785 | |
| 703 TRANSITION COSTS CAPITALIZED | | 393 | 8,240 | |
| 704 CAPITAL TAX | | 394 | 2,733 | |
| Subtotal of Other Deductions | | 499 | 62,063 | 62,063 |
| **Total Deductions** | | 510 | 146,647 | 146,647 |
| **Net income (loss) for income tax purposes** (enter on line 300 on the T2 return) | | | | -1,258 |

T2 SCH 1 E (01)

(Ce formulaire existe en français.)

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

## CHARITABLE DONATIONS AND GIFTS
## (1998 and later taxation years)

- For use by corporations to claim any of the following:
  - Charitable donations;
  - Gifts to Canada or a province;
  - Gifts of certified cultural property; or
  - Gifts of certified ecologically sensitive land.
- The donations and gifts are eligible for a five year carry-forward.
- Use this schedule to show a credit transfer following an amalgamation or wind-up of subsidiary as described under subsections 87(1) and 88(1) of the federal "Income Tax Act".
- File one completed copy of this schedule with your "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".

### Part 1 - Charitable donations

| Charity/Recipient | Amount ($100 or more only) |
|---|---|
| | 0 |
| Subtotal | 0 |
| **Add:** Total donations of less than $100 each | 30 |
| Total donations in current taxation year | 30 |

| | | Federal | | Ontario | Québec | Alberta |
|---|---|---|---|---|---|---|
| Charitable donations at end of preceding taxation year | | 0 | A | 0 | 0 | 0 |
| **Deduct:** | | | | | | |
| Donations expired after 5 taxation years | 239 | 0 | | 0 | 0 | 0 |
| Charitable donations at beginning of taxation year | 240 | 0 | | 0 | 0 | 0 |
| **Add:** | | | | | | |
| Donations transferred on amalgamation or wind-up of subsidiary | 250 | 0 | B | | | |
| Total current year charitable donations made donations made | 210 | 30 | C | | | |
| **Subtotal:** | | | | | | |
| Amount B plus amount C | | 30 | D | 30 | 30 | 30 |

| | | Federal | | Ontario | Québec | Alberta |
|---|---|---|---|---|---|---|
| Total donations available | | 30 | E | 30 | 30 | 30 |
| **Deduct:** Amount applied against taxable income: | | | | | | |
| (enter amount from line S) | 260 | 0 | F | 0 | 0 | 0 |
| Charitable donations closing balance | 280 | 30 | G | 30 | 30 | 30 |

## AMOUNTS CARRIED FORWARD

| **Year of origin:** | | | Federal | Ontario | Québec | Alberta |
|---|---|---|---|---|---|---|
| 1st prior year | - | 2001 | 0 | 0 | 0 | 0 |
| 2nd prior year | - | 2000 | 0 | 0 | 0 | 0 |
| 3rd prior year | - | 1999 | 0 | 0 | 0 | 0 |
| 4th prior year | - | 1998 | 0 | 0 | 0 | 0 |
| 5th prior year | - | 1997 | 0 | 0 | 0 | 0 |
| 6th prior year * | - | 1996 | 0 | 0 | 0 | 0 |
| **Total** (to line A) | | | 0 | 0 | 0 | 0 |

* These donations expired in the prior year.

## Part 2 - Maximum deduction calculation for donations

Net income for tax purposes * **multiplied** by 75% -943 H

Taxable capital gains arising in respect of gifts of capital property:

- per line 895 of schedule 6 0
- other 0

Total 225 0 I

Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) 227 0 J

**Add** the lesser of:

1) The amount of the recapture of capital cost allowance in respect of charitable gifts 230 0 K

2) **The lesser of:**

i) Proceeds of dispositions less outlays and expenses 0 L

ii) The capital cost 0 M

The lesser of amounts L and M 235 0 N

The lesser of amounts K and N 0 O

**Subtotal:** Amount I plus amount J plus amount O 0 0 P

Amount P multiplied by 25% 0 Q

**Maximum deduction allowable:** (amount H plus amount Q) -943 R

**Claim for charitable donations:** (not exceeding the lesser of amount E from Part 1, amount R and net income for tax purposes) 0 S

(Enter amount S on line 311 of the T2 return)

* For credit unions this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

## Part 3 - Gifts to Canada or a province

| | | |
|---|---|---|
| Gifts to Canada or a province at the end of the preceding taxation year | | 0 |
| **Deduct:** Gifts to Canada or a province expired after 5 taxation years | 339 | 0 |
| Gifts to Canada or a province at the beginning of the taxation year | 340 | 0 |
| **Add:** Gifts to Canada or a province transferred on amalgamation or wind-up of a subsidiary | 350 | 0 |
| Total current year gifts made to Canada or a province * | 310 | 0 |
| Subtotal | | 0 |
| **Deduct:** Amount applied against taxable income (enter this amount on line 312 of the T2 return) | 360 | 0 |
| Gifts to Canada or a province closing balance | 380 | 0 |

* Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If the taxation year straddles February 18, 1997, and gifts were made after this date, enter the amount at line 210 and complete part 2.

## Part 4 - Gifts of certified cultural property

| | | |
|---|---|---|
| Gifts of certified cultural property at the end of the preceding taxation year | | 0 |
| **Deduct:** Gifts of certified cultural property expired after 5 taxation years | 439 | 0 |
| Gifts of certified cultural property at the beginning of the taxation year | 440 | 0 |
| **Add:** Gifts of certified cultural property transferred on amalgamation or wind-up of a subsidiary | 450 | 0 |
| Total current year gifts of certified cultural property | 410 | 0 |
| Subtotal | | 0 |
| **Deduct:** Amount applied against taxable income (enter this amount on line 313 of the T2 return) | 460 | 0 |
| Gifts of certified cultural property closing balance | 480 | 0 |

## Part 5 - Gifts of certified ecologically sensitive land

| | | |
|---|---|---|
| Gifts of certified ecologically sensitive land at the end of the preceding taxation year | | 0 |
| **Deduct:** Gifts of certified ecologically sensitive land expired after 5 taxation years | 539 | 0 |
| Gifts of certified ecologically sensitive land at the beginning of the taxation year | 540 | 0 |
| **Add:** Gifts of certified ecologically sensitive land transferred on amalgamation or wind-up of a subsidiary | 550 | 0 |
| Total current year gifts of certified ecologically sensitive land | 510 | 0 |
| Subtotal | | 0 |
| **Deduct:** Amount applied against taxable income (enter this amount on line 314 of the T2 return) | 560 | 0 |
| Gifts of certified ecologically sensitive land closing balance | 580 | 0 |

## Part 7 - Ontario DFILE purposes only

| | |
|---|---|
| Ontario net income for tax purposes **multiplied** by 75% | -943 |
| Ontario maximum deduction available | 0 |

GRAVENHURST HYDRO ELECTRIC INC
Account/Business No.: 891085615RC0001 Year Ended: 2001-12-31 Sch. 004

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 | | -1,258 |
| **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") | | -1,258 |
| **Deduct:** (increase a loss) | | |
| Section 110.5 - Addition for foreign tax deductions | | 0 |
| Subtotal | | -1,258 |
| **Add:** (decrease a loss) | | |
| Current-year farm loss | | 0 |
| Current-year non-capital loss (if positive, enter "0") | | -1,258 |

#### 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 | 1,258 | 1,258 |

## 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 | 1,258 |

**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 | | 1,258 |

## 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 | 1,258 | 0 | 0 | N/A | 0 | 1,258 |
| 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 | 1,258 | 0 | 0 | 0 | 0 | 1,258 |

### 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

GRAVENHURST HYDRO ELECTRIC INC
Account/Business No.: 891085615RC0001 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 | 384,562 | 0 | 0 | 192,281 | 4 | 0 | 0 | 1,939 | 382,623 |
| 1 | 0 | 5,739,449 | -43,597 | 0 | 2,869,724 | 4 | 0 | 0 | 28,494 | 5,667,358 |
| 8 | 0 | 42,305 | 0 | 0 | 21,152 | 20 | 0 | 0 | 1,066 | 41,239 |
| 10 | 0 | 39,416 | 0 | 0 | 19,708 | 30 | 0 | 0 | 1,490 | 37,926 |
| 12 | 0 | 6,957 | 0 | 0 | 3,478 | 100 | 0 | 0 | 877 | 6,080 |
| 12 | 0 | 26,210 | 0 | 0 | 13,105 | 100 | 0 | 0 | 3,303 | 22,907 |
| 8 | 0 | 7,548 | 0 | 0 | 3,774 | 20 | 0 | 0 | 190 | 7,358 |
| 10 | 0 | 409,215 | 0 | 2,000 | 203,607 | 30 | 0 | 0 | 15,396 | 391,819 |
| 12 | 0 | 493 | 0 | 0 | 0 | 100 | 0 | 0 | 124 | 369 |
| 8 | 0 | 918,065 | -4,194 | 0 | 459,032 | 20 | 0 | 0 | 22,929 | 890,942 |
| 8 | 0 | 22,579 | 0 | 0 | 11,289 | 20 | 0 | 0 | 569 | 22,010 |
| Total | 0 | 7,596,799 | -47,791 | 2,000 | 3,797,150 | | 0 | 0 | 76,377 | 7,470,631 |

GRAVENHURST HYDRO ELECTRIC INC
Account/Business No.: 891085615RC0001 Year Ended: 2001-12-31
RELATED AND ASSOCIATED CORPORATIONS

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporation(s)

| Name | Ctry of resi-dence | Business Number (Note) | Rela-tion-ship Code | Number of common shares owned | % of common shares owned | Number of preferred shares owned | % of pre-ferred shares owned | Book value of capital stock |
|---|---|---|---|---|---|---|---|---|
| [100] | [200] | [300] | [400] | [500] | [550] | [600] | [650] | [700] |
| GRAVENHURST ENERGY SERVICES IN | | 864230792RC0001 | 3 | 0 | 0.00 | 0 | 0.00 | 0 |
| GRAVENHURST POWER INC | | 864230990RC0001 | 1 | 0 | 0.00 | 0 | 0.00 | 0 |

Note: Enter "NR" if a corporation is not registered.
Relationship code:
1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

## Schedule 9

GRAVENHURST HYDRO ELECTRIC INC
Account/Business No.: 891085615RC0001 Year Ended: 2001-12-31

Sch. 010

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

## CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

- For use by a corporation that has eligible capital property. For more information, see the "T2 Corporation Income Tax Guide".
- A separate cumulative eligible capital account must be kept for each business.
- This form applies to taxation years that end after February 27, 2000.

### Part 1 - Calculation of current year deduction and carry-forward

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Cumulative eligible capital - Balance at end of preceding taxation year** (if negative, enter "0") | | | | | | 200 | 0 A |
| **Add:** | | | | | | | |
| Cost of eligible capital property acquired during the taxation year | 222 | 469,091 B | | | | | |
| Amount transferred on amalgamation or wind-up of subsidiary | 224 | 0 C | | | | | |
| Other adjustments | 226 | 0 D | | | | | |
| (add amounts B, C, and D) | | 469,091 | x | 0.75 | = | | 351,818 E |
| **Subtotal** (amount A **plus** amount E) | | | | | | 230 | 351,818 F |
| **Deduct:** | | | | | | | |
| Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year | 242 | 0 G | | | | | |
| The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) | 244 | 0 H | | | | | |
| Other adjustments | 246 | 0 I | | | | | |
| (add amounts G, H, and I) | | 0 | x | 0.75 | = | 248 | 0 J |
| **Cumulative eligible capital balance** (amount F **minus** amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2) | | | | | | | 351,818 K |
| **Current year deduction** amount K (enter amount L at line 405 of Schedule 1) | | 351,818 | x | 7.00% | = | 250 | 6,207 L |
| **Cumulative eligible capital - Closing balance** Amount K **minus** amount L (if negative, enter "0") | | | | | | 300 | 345,611 M |

**Note**

You can claim any amount up to the maximum deduction of 7%. For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

## Part 2 - Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

| | | | | | |
|---|---|---|---|---|---|
| Amount from line K above (show as a positive amount) | | | | | 0 N |
| Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 | 400 | | 0 1 | | |
| Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) | 401 | | 0 2 | | |
| Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 | 402 | 0 3 | | | |
| Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 | 408 | 0 4 | | | |
| Line 3 **minus** line 4 | | 0 | 0 5 | | |
| Total of lines 1, 2, and 5 | | | 0 6 | | |
| Line T from Schedule 10 of previous taxation years ending after February 27, 2000 | 409 | | 0 7 | | |
| Line 6 **minus** line 7 | | | 0 | | 0 O |
| Line N **minus** line O (cannot be negative) | | | | | 0 P |
| Amount on line 5 0 x 1/2 | | | | | 0 Q |
| Line P **minus** line Q | | | | | 0 R |
| Amount on line R 0 x 2/3 * | | | | | 0 S |
| Lesser of line N or line O | | | | | 0 T |
| Amount to be included in income on line 108 of Schedule 1, line S **plus** line T For taxation years ending before February 28, 2000, line N - line Q | | | | 410 | 0 |

* For taxation years ending after February 27, 2000, and before October 18, 2000, use fraction 8/9 to calculate line S.

## AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC's) TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.

- 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) 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 amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 can not exceed $200,000.

**Column 5:** Complete column for a CCPC that 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. Enter the taxation year to which this agreement applies.

**Column 6:** Enter the gross Part I.3 tax of the prior year. This is used for the business limit reduction.

**Allocation of business limit**

| | | Year Month Day |
|---|---|---|
| Date filed (for departmental use only) | 025 | |
| | | Year |
| Enter the calendar year to which the agreement applies | 050 | 2001 |
| 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 | [Y/N] [ N ] |

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Names of associated corporations | Business Number of associated corporations | Association code | Business limit allocated **(Note 1)** | Taxation year end to which this agreement applies | Gross Part I.3 Tax of the prior year **(Notes 2 & 3)** |
| 100 | 200 | 300 | 400 | 500 | |
| GRAVENHURST HYDRO ELECTRIC INC | 891085615RC0001 | 1 | 0 | 2001-12-31 | 0 |
| See attached | | | 200,000 | | 0 |
| | | | --- | | --- |
| | **Totals** (not to exceed $200,000) | | 200,000 | | 0 |
| | | | ======= | | ========== |

**Note 1:**
Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

**Note 2:**
**Reduction to the business limit under subsection 125(5.1)**
The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return.
The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

**Note 3:**
If the taxation year of the associated corporation was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

GRAVENHURST HYDRO ELECTRIC INC
Account/Business No.: 891085615RC0001 Year Ended: 2001-12-31
AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Name of associated corporation | Business Number of associated corporation | Asso-ciation code | Business limit allocated (Note) | Taxation year end to which this agreement applies | Gross Part I.3 Tax of the prior year |
| [100] | [200] | [300] | [400] | [500] | |
| GRAVENHURST ENERGY SERVICES IN | 864230792RC0001 | 1 | 200,000 | 2001-12-31 | 0 |
| GRAVENHURST POWER INC | 864230990RC0001 | 1 | 0 | 2001-12-31 | 0 |
| TOTALS | | | 200,000 | | 0 |

Note: Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Reduction to the business limit under subsection 125(5.1)
The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return.
The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

## Schedule 23-Supplementary

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

## PART I.3 TAX ON LARGE CORPORATIONS
## (1998 and later taxation years)

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before the deduction for surtax credits.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act".
- 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 in respect of its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or in respect of 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 carried 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 processing incidental to or connected therewith) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" within six months of the end of the taxation year.

| | | Year | Month | Day |
|---|---|---|---|---|
| Filing date (for departmental use only) | 100 | | | |

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 5, "Taxable capital employed in Canada - Non-resident corporation."

### 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 | 95,627 |
| Capital stock (or members' contributions if incorporated without share capital) | 103 | 2,085,925 |
| Retained earnings | 104 | 0 |
| Contributed surplus | 105 | 0 |
| Any other surpluses | 106 | 0 |
| Deferred unrealized foreign exchange gains | 107 | 0 |
| All loans and advances to the corporation | 108 | 1,298,571 |
| All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations | 109 | 5,002,000 |
| Any dividends declared but not paid by the corporation before the end of the year | 110 | 0 |
| 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 | 0 |

## Part 1 - Capital (cont'd)

| | | | | |
|---|---|---|---|---|
| Proportion of the amount, if any, by which the total of all amounts (that would be determined under lines 101, 107, 108, 109, 111 and 112) in respect of 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 (see note below) | 112 | 0 | | |
| | Subtotal | 8,482,123 | 8,482,123 | A |
| **Deduct** the following amounts: | | | | |
| Deferred tax debit balance at the end of the year | 121 | 0 | | |
| Any deficit deducted in computing the shareholders' equity | 122 | 4,419 | | |
| 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 | 0 | | |
| The amount of deferred unrealized foreign exchange losses | 124 | 0 | | |
| | Subtotal | 4,419 | 4,419 | B |
| **Capital for the year** (amount A minus amount B) (if negative, enter "0") | 190 | | 8,477,704 | |

**Note:** Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- Amounts owing to the member or to corporations that are other 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.
- Amounts at these lines apply to partnerships in the same way that they apply to corporations.
- The proportion of the total amounts is determined in accordance with 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 | 0 |
| A loan or advance to another corporation (other than a financial institution) | 402 | 29,302 |
| A bond, debenture, note, mortgage, or similar obligation of another corporation (other than a financial institution) | 403 | 0 |
| Long-term debt of a financial institution | 404 | 0 |
| A dividend receivable on a share of the capital stock of another corporation | 405 | 0 |
| A loan or advance to, or a bond, debenture, note, mortgage 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 | 0 |
| An interest in a partnership | 407 | 0 |
| **Investment allowance for the year** | 490 | 29,302 |

**Note:** 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 of the Act (other than by reason of paragraph 181.1(3)(d) of the Act).

## Part 3 - Taxable capital

| | | | |
|---|---|---|---|
| Capital for the year (line 190) | | 8,477,704 | C |
| **Deduct:** Investment allowance for the year (line 490) | | 29,302 | D |
| **Taxable capital for the taxation year** (amount C minus amount D) (if negative, enter "0") | 500 | 8,448,402 | |

## Part 4 - Taxable capital employed in Canada - Canadian resident corporation

To be completed by a corporation that was resident in Canada at any time in the year.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Taxable capital for the year (line 500) | 8,448,402 | X | Taxable income earned in Canada | 610 | 1,000 | = | Taxable capital employed in Canada | 690 | 8,448,402 |
| | | | Taxable income | | 1,000 | | | | |

**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.

## Part 5 - Taxable capital employed in Canada - Non-resident corporation

To be completed by a corporation that was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada.

| | | | |
|---|---|---|---|
| Total of all amounts 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 | 0 | |
| **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 | 0 | |
| 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 in Canada | 712 | 0 | |
| Total amount of 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 in Canada | 713 | 0 | |
| Total deductions (add lines 711, 712, and 713) | | 0 | 0 E |
| **Taxable capital employed in Canada** (line 701 minus amount E) (if negative, enter "0") | 790 | | 0 |

## Part 6 - Calculation of gross Part I.3 tax

| | | | |
|---|---|---|---|
| Taxable capital employed in Canada for the year (line 690 or 790, whichever applies) | | | 8,448,402 |
| **Deduct:** Capital deduction claimed for the year (enter $10,000,000 or, for related corporations, the amount allocated on Schedule 36) | 801 | 9,629,941 | |
| Excess of taxable capital employed in Canada over capital deduction | 811 | | 0 |

**Gross Part I.3 tax:** Line 811 0 x .2250% = 0 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F 0 x (Number of days in the year: 92 / 365) = 0 G

| | | | |
|---|---|---|---|
| **Gross Part I.3 tax** (amount F or G, whichever applies) | 820 | | 0 |

## Part 7 - Calculation of current year surtax credits

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable. 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 in respect of 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.

Current year surtax credit equals current year Canadian surtax payable.

**Canadian surtax payable**

For a corporation that was not resident in Canada throughout the year, the lesser of a and b, below:

| | | | | | |
|---|---|---|---|---|---|
| a) | line 600 from the T2 return | | | 0 | |
| b) | line 700 plus line 660 from the T2 return | | | 0 | 0 H |

In any other case, the lesser of c and d below:

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | line 690 of this schedule | | | |
| c) | line 600 from the T2 return | 0 x | 8,448,402 | = | 0 | |
| | | | 8,448,402 | | | |
| | | | line 500 of this schedule | | | |
| d) | line 700 plus line 660 from the T2 return | | | | 0 | 0 I |
| | **Current year surtax credit** (amount H or I, whichever applies) | | | | 830 | 0 |

## Part 8 - Calculation of Part I.3 tax credit available for carry- forward

| | | |
|---|---|---|
| Amount on line 830 | | 0 |
| **Less:** Part I.3 tax before deducting surtax credits (line 820) | | 0 J |
| | **Net amount** | 0 K |

If the amount on line K is "positive," it represents the amount of Part I.3 tax credits that may be carried forward from taxation years prior to 1992 and applied this year to reduce Canadian surtax payable. Refer to Schedule 37 for unused Part I.3 tax credit balance . . . . . 0 L

**Note:** The portion of amount K carried forward should be entered at line 660 of the T2 return.

If the amount on line K is "negative," it represents the amount of unused surtax credit of other years that may be applied to reduce Part I.3 tax payable in the current year . . . . . 0 M

## Part 9 - Calculation of current year unused surtax credit

| | | |
|---|---|---|
| Amount K (if positive) | | 0 |
| **Less:** Part I.3 tax credits claimed (carried forward from taxation years prior to 1992 - see amount L above) | | 0 |
| **Current year unused surtax credit** (enter this amount on Schedule 37) | 850 | 0 |

## Part 10 - Calculation of net Part I.3 tax payable

| | | | | |
|---|---|---|---|---|
| Gross Part I.3 tax (line 820) | | | 0 | N |
| **Deduct** the following amounts: | | | | |
| Current year surtax credit applied (the lesser of lines 820 and 830) | 861 | 0 | | |
| Unused surtax credit from prior years applied | 862 | 0 | | |
| Total (cannot exceed amount on line 820) | | 0 | 0 | O |
| **Net Part I.3 tax payable** (amount N minus amount O) | | | | |
| Enter this amount at line 704 of the T2 return | 870 | | 0 | |

LINE 108

| | |
|---|---|
| CURRENT PORTION OF CUSTOMER DEPOSITS | 68,300.00 |
| DUE TO RELATED COMPANY | 50,466.00 |
| LONG TERM PORTION OF CUSTOMER DEPOSITS | 84,030.00 |
| DUE TO TOWN OF GRAVENHURST | 1,095,775.00 |
| | 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 | 1,298,571.00 |

GRAVENHURST HYDRO ELECTRIC INC Sch. 036
Account/Business No.: 891085615RC0001 Year Ended: 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

## AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX
## (1998 and later taxation years)

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 among the members of the related group.
  **Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.**

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [ Y ]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.

- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending 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.

- Attach additional schedules if space for agreement is not sufficient.

**Agreement**

| | | Year Month Day |
|---|---|---|
| Date filed (for departmental use only) | 010 | |
| Is this an amended agreement? | 020 | [Y/N] [ N ] |
| Enter the calendar year to which the agreement applies | 030 | Year 2001 |

**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 which is exempt from Part I.3 tax under subsection 181.1(3) is not required to be included.

| Names of all corporations which are members of the related group | Business Number (Note 1) | Allocation of capital deduction for the year $ | Taxation year end to which this agreement applies (Note 2) |
|---|---|---|---|
| 200 | 300 | 400 | 500 |
| GRAVENHURST HYDRO ELECTRIC INC | 891085615RC0001 | 9,629,941 | 2001-12-31 |
| See attached | | 370,059 | |
| **Total** (not to exceed $10,000,000) | | 10,000,000 | |

**Note 1:** If a corporation is not registered enter, "NR".

**Note 2:** An entry is only required 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.

GRAVENHURST HYDRO ELECTRIC INC
Account/Business No.: 891085615RC0001 Year Ended: 2001-12-31

## 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 $10,000,000 among the members of the related group.
- 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.

| Names of all corporations which are members of the related group [200] | Business Number (Note 1) [300] | Allocation of capital deduction for the year [400] | Taxation year end to which this agreement applies (Note 2) [500] |
|---|---|---|---|
| GRAVENHURST ENERGY SERVICES IN | 864230792RC0001 | 337,338 | 2001-12-31 |
| GRAVENHURST POWER INC | 864230990RC0001 | 32,721 | 2001-12-31 |
| **TOTAL** | | 370,059 | |

Note 1: If a corporation is not registered, enter "NR".

Note 2: An entry is only required for a corporation that has more than one taxation 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.

## Schedule 36 - Supplementary

GRAVENHURST HYDRO ELECTRIC INC
Account/Business No.: 891085615RC0001 Year Ended: 2001-12-31

Sch. 050

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 |
| GRAVENHURST POWER INC | 864230990RC0001 | | 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.

T2 SCH 50 (99)

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2001

| | 2001 | 2000 |
|---|---|---|
| ***ASSETS*** | | |
| *Current* | | |
| Cash and Short Term Deposits | $ 1,004,180 | $ 1,130,666 |
| Accounts Receivable, net of Allowance for Doubtful Accounts of $1,926 (2000 - $6,782) | 840,304 | 1,044,248 |
| Unbilled Revenue | 533,534 | 539,022 |
| Inventories | 192,787 | 189,003 |
| Due from Related Companies | 29,302 | 20,575 |
| Other Current Assets | 202,635 | 101,858 |
| | $ 2,802,742 | $ 3,025,372 |
| *Capital* | | |
| Land and Land Rights | $ 705,210 | $ 704,829 |
| Buildings | 525,246 | 522,707 |
| Distribution Stations | 586,678 | 585,801 |
| Subtransmission Feeders | 575,217 | 571,174 |
| Distribution – Overhead | 2,813,466 | 2,648,689 |
| Distribution – Underground | 1,064,260 | 961,387 |
| Distribution - Meters | 1,061,952 | 750,159 |
| Distribution - Transformers | 1,922,376 | 1,861,345 |
| Customer Service - Overhead | 885,284 | 856,533 |
| Customer Service - Underground | 333,891 | 309,280 |
| Transportation Equipment | 645,638 | 592,854 |
| Office Equipment | 329,286 | 282,691 |
| Miscellaneous Equipment | 112,437 | 112,437 |
| Construction in Progress | 5,447 | 0 |
| | $ 11,566,388 | $ 10,759,886 |
| Less Contributions in aid of Capital | (1,364,322) | (1,103,060) |
| | $ 10,202,066 | $ 9,656,826 |
| Less Net Accumulated Amortization | (3,392,654) | (3,048,573) |
| | $ 6,809,412 | $ 6,608,253 |
| *Other* | | |
| Incorporation Costs | $ 8,816 | $ 8,816 |
| | **$ 9,620,970** | **$ 9,642,441** |

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2001

| | 2001 | 2000 |
|---|---|---|
| ***LIABILITIES*** | | |
| *Current* | | |
| Accounts Payable and Accrued Liabilities | $ 885,007 | $ 962,000 |
| Current Portion of Long Term Debt | 172,000 | 160,000 |
| Current Portion of Customer Deposits | 68,300 | 62,712 |
| Due to Related Companies | 50,466 | 6,281 |
| Other Current Liabilities | 258,259 | 286,406 |
| | $ 1,434,032 | $ 1,477,399 |
| *Long Term Debt* | | |
| Promissory Note | $ 5,002,000 | $ 5,162,000 |
| Less Payments due within one year | (172,000) | (160,000) |
| | $ 4,830,000 | $ 5,002,000 |
| *Other* | | |
| Long Term Customer Deposits | $ 84,030 | $ 80,405 |
| Employee Future Benefits | 95,627 | 97,738 |
| | $ 179,657 | $ 178,143 |
| *Due to Shareholder* | | |
| Due to Town of Gravenhurst | $ 1,095,775 | $ 1,095,775 |
| ***SHAREHOLDER EQUITY*** | | |
| *Share Capital* | | |
| *Authorized:* Unlimited common shares | | |
| *Issued:* 500 common shares | $ 2,085,925 | $ 2,085,925 |
| *Deficit* | (4,419) | (196,801) |
| | $ 2,081,506 | $ 1,889,124 |
| | **$ 9,620,970** | **$ 9,642,441** |

GRAVENHURST HYDRO ELECTRIC INC
STATEMENT OF OPERATIONS
3 MONTHS ENDED DEC 31, 2001

| | SEPT 30/01 BALANCE | DEC 31/01 BALANCE | **OCT 1/01 TO DEC 31/01 STATEMENT OF OPERATIONS** |
|---|---|---|---|
| REVENUE FROM SALE OF ELECTRICAL ENERGY | | | |
| RESIDENTIAL ENERGY SALES | 3,429,929.00 | 4,517,453.00 | **1,087,524.00** |
| STREET LIGHTING ENERGY SALES | 26,357.00 | 39,467.00 | **13,110.00** |
| SENT LIGHTING ENERGY SALES | 2,381.00 | 3,491.00 | **1,110.00** |
| GENERAL ENERGY SALES | 2,654,107.00 | 3,535,664.00 | **881,557.00** |
| REVENUE ADJUSTMENT | (169,083.00) | (5,469.00) | **163,614.00** |
| PRIOR YEAR REVENUE ADJUSTMENT | - | - | **-** |
| TOTAL ELECTRIC ENERGY REVENUE | 5,943,691.00 | 8,090,606.00 | **2,146,915.00** |
| COST OF ELECTRICAL ENERGY | | | |
| POWER PURCHASED | 4,479,279.00 | 6,322,910.00 | **1,843,631.00** |
| COST OF POWER ADJUSTMENTS | - | - | **-** |
| | 1,464,412.00 | 1,767,696.00 | **303,284.00** |
| OTHER OPERATION REVENUES | 105,505.00 | 133,302.00 | **27,797.00** |
| OTHER INCOME & DEDUCTIONS | 43,755.00 | 51,006.00 | **7,251.00** |
| INTEREST & DIVIDEND INCOME | 33,771.00 | 40,257.00 | **6,486.00** |
| TOTAL REVENUE | 1,647,443.00 | 1,992,261.00 | **344,818.00** |
| OPERATING EXPENSES | | | |
| DISTRIBUTION EXPENSES - OPERATIONS | 101,612.00 | 125,010.00 | **23,398.00** |
| DISTRIBUTION EXPENSES - MAINTENANCE | 123,296.00 | 157,287.00 | **33,991.00** |
| BILLING & COLLECTING | 244,695.00 | 310,417.00 | **65,722.00** |
| COMMUNITY RELATIONS | 2,917.00 | 4,053.00 | **1,136.00** |
| ADMINISTRATION & GENERAL | 224,984.00 | 294,506.00 | **69,522.00** |
| DEPRECIATION & AMORTIZATION | 330,906.00 | 443,802.00 | **112,896.00** |
| INTEREST EXPENSE | 237,740.00 | 314,824.00 | **77,084.00** |
| PAYMENTS IN LIEU - PROPERTY TAX | 6,523.00 | 8,698.00 | **2,175.00** |
| DONATIONS | - | 30.00 | **30.00** |
| TOTAL EXPENSES | 1,272,673.00 | 1,658,627.00 | **385,954.00** |
| NET INCOME | 374,770.00 | 333,634.00 | **(41,136.00)** |
| PROFIT (LOSS) / PERIOD | 374,770.00 | 333,634.00 | **(41,136.00)** |

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)*
*(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**, 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

GRAVENHURST HYDRO ELECTRIC INC

195 PROGRESS DRIVE
P.O.Box 250
GRAVENHURST
ON CA P1P-1T6

PLEASE RETAIN FOR YOUR RECORDS

**Ontario Corporations Tax Account No. (MOF)**
1800256

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 [X] Date of Change: year month day

Date of Incorporation or Amalgamation
year month day 2000-10-25

Registered/Head Office Address

195 PROGRESS DRIVE
P.O.Box 250
GRAVENHURST
ON CA P1P-1T6

Ontario Corporation No. (MCBS) 1446745

Location of Books and Records

195 PROGRESS DRIVE
P.O.Box 250
GRAVENHURST
ON CA P1P-1T6

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter
891085615RC0001

Name of person to contact regarding this CT23 Return: Cheryl Hunter
Telephone No.: 705-687-2321
Fax No.:

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
Ceased: year month day
*(Not Applicable)* [X]

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)*

George McEachern

**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 |
|---|---|---|
| GRAVENHURST HYDRO ELECTRIC INC | 1800256 | 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:**

[X] 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 | -1,258. | |
| 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 | -1,258. | |
| 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 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 | 100.0000% Ontario Allocation | 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 | 100.0000% Ontario Allocation | 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 | 100.0000% Ontario Allocation | 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 | 0. | |

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 | 0 | + | 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 | 0 | + | 200,000 | =+ | 43 | 0. | | | |
| Ontario enhancement of federal business limit 42 + 43 | = | 0. | + | 44 | 0. | | | | |
| **Business Limit for Ontario purposes** 55 + 44 | = | 0. | | 45 | 0. | | | | |
| **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 X (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) |
|---|---|---|---|
| See attached | | | + 82 9,822. |
| | | | + 83 . |
| | | | + 84 . |

Aggregate Taxable Income 80 + 82 + 83 + 84, etc. ..... = 85 9,822.

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.

**Calculation of Specified Rate for Surtax**

Number of Days in Taxation Year

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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] [194] 0
***Applies*** to employment of eligible unemployed graduate students.
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] 9,620,970.

*** Total Revenue of the corporation** + [241] 8,682,434.

***If you are a member of an associated group*** (x) [242] X (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 |
|---|---|---|---|---|
| See attached | | | + [243] 2,928,910. | + [244] 24,153. |
| | | | + [245] . | + [246] . |
| | | | + [247] . | + [248] . |

Aggregate Total Assets [240] + [243] + [245] + [247], etc. = [249] 12,549,880.

Aggregate Total Revenue [241] + [244] + [246] + [248], etc. = [250] 8,706,587.

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 | 2,085,925. |
| Retained earnings (if deficit, deduct) | ± 351 | -4,419. |
| Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83) | + 352 | 0. |
| Loans and advances *(Attach schedule)* | + 353 | 1,298,571. |
| Bank loans | + 354 | 0. |
| Bankers acceptances | + 355 | 0. |
| Bonds and debentures payable | + 356 | 0. |
| Mortgages payable | + 357 | 0. |
| Lien notes payable | + 358 | 5,002,000. |
| 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 | 40,704. |
| Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* | + 362 | 0. |
| **Subtotal** | = 370 | 8,422,781. |
| 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 | 8,422,781. |
| Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) | - 381 | 0. |
| **Net Paid-up Capital** | = 390 | 8,422,781. |

## 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 | 29,302. |
| Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)* | + 407 | 0. |
| **Total Eligible Investments** | = 410 | 29,302. |

*continued on Page 10*

LOANS AND ADVANCES

| | |
|---|---|
| | 0.00 |
| CUSTOMER DEPOSITS - CURRENT | 68,300.00 |
| | 0.00 |
| LONG TERM CUSTOMER DEPOSITS | 84,030.00 |
| DUE TO RELATED COMPANY | 50,466.00 |
| DUE TO TOWN OF GRVANHURST | 1,095,775.00 |
| | 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 | 1,298,571.00 |

line 361

| | |
|---|---|
| AMORTIZATION | 131,528.00 |
| CCA | -76,377.00 |
| CEC | -6,207.00 |
| | 0.00 |
| TRANSITION COST | -8,240.00 |
| | 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 | 40,704.00 |

## Capital Tax *continued from Page 9*

### Total Assets

| | | | |
|---|---|---|---|
| Total Assets per balance sheet | + | 420 | 9,620,970. |
| 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 | 9,620,970. |
| Amounts in 360 and 361 (if deducted from assets) | + | 440 | 40,704. |
| 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 | 9,661,674. |
| **Investment Allowance** (410 + 450) x 390 ... **Not to exceed** 410 | = | 460 | 25,545. |
| **Taxable Capital** 390 − 460 | = | 470 | 8,397,236. |

| | | |
|---|---|---|
| **Gross Revenue** (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) | 480 | 2,188,449. |
| **Total Assets** (as adjusted) ... From 430 | | 9,620,970. |

## 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 0. x .3000% = + 490 0.

Deduct:

[$2,400,000 – From 470 0. ] x 1.5% = – 492 0.

If 2,400,000 – 470 is negative, enter NIL in 492

(504 = 490 – 492) = 504 0. x From 30 Ontario Allocation 100.0000% x Days in taxation year after May 4, 1999 and before Jan 1, 2000 552 / ** 365 (366 if leap year) 0 = + 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:

[$2,800,000 – From 470 0. ] x 0.75% = – 493 0.

If 2,800,000 – 470 is negative, enter NIL in 493

(506 = 490 – 493) = 506 0. x From 30 Ontario Allocation 100.0000% x Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553 / ** 365 (366 if leap year) 0 = + 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:

[$3,200,000 – From 470 0. ] x 0.5% = – 495 0.

If 3,200,000 – 470 is negative, enter NIL in 495

(509 = 490 – 495) = 509 0. x From 30 Ontario Allocation 100.0000% x Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 554 / ** 365 (366 if leap year) 0 = + 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 / ** 365 (366 if leap year) 0 ..... = 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 / ** 365 (366 if leap year) 92 ..... = 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 X (Yes)

Taxable Capital ..... + From 470 8,397,236.

| 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 |
|---|---|---|---|---|---|
| See attached | | | + | 511 | 380,769. |
| | | | + | 512 | . |
| | | | + | 513 | . |

Aggregate Taxable Capital 470 + 511 + 512 + 513, etc. ..... = 520 8,778,005.

***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:

[$2,400,000 – (From 520: 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: 552

( 504 = 490 – 492 ) = 504 0. x (From 30: 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:

[$2,800,000 – (From 520: 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: 553

( 506 = 490 – 493 ) = 506 0. x (From 30: 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:

[$3,200,000 – (From 520: 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: 557

( 509 = 490 – 495 ) = 509 0. x (From 30: 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 8,397,236. 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 ..... + 8,778,005.

Minus portion attributable to corporations without a permanent establishment in Canada .. – 0.

ii) TPUC of all corporations post September 30, 2001 ..... = 8,778,005.

Lesser of i) and ii) ..... 5,000,000.

TPUC from 470 ..... x 8,397,236.

TPUC of all corporations post September 30, 2001 ..... + 8,778,005.

Exemption for this corporation ..... = 4,783,112.

( From 470: 8,397,236. – Exemption: 4,783,112. ) 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 2,733.

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 2,733.

*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 2,733.

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* ..... – 546 0.

**Capital Tax** 543 – 546 ..... = 550 2,733.

*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] 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 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 -1,258.
*Transfer to page 16*

**Add:**

| | | |
|---|---|---|
| Federal capital cost allowance | + 601 | 76,377. |
| Federal cumulative eligible capital deduction | + 602 | 6,207. |
| 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 ..... = 82,584. 640 82,584.
*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 -1,258.

Subtotal of Additions ..... From = 640 82,584.

**Deduct:**

| | | |
|---|---|---|
| Ontario capital cost allowance | + 650 | 76,377. |
| Ontario cumulative eligible capital deduction | + 651 | 6,207. |
| 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 = 82,584. 680 82,584.

**Net income (loss) for Ontario Purposes** 600 + 640 – 680 ..... = 690 -1,258.

*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 1,258 | 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 1,258 | 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 1,258 | 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 1,258 | 836 0 | 846 0 | 859 0 | 879 0 |
| **Total** | 829 1,258 | 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 1,258 | 920 0 | 930 0 | 940 0 |
| **Deduct:** Loss to be carried back to preceding taxation years and applied to reduce taxable income | | | | |
| i) 3rd preceding — Predecessor Ontario Corporation's Tax Account No. (MOF) ____ 901 — Taxation Year Ending year month day | 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 1,258 | 929 0 | 939 0 | 949 0 |

### Summary

| | | |
|---|---|---|
| **Income tax** | + From 230 or 320 | 0. |
| **Corporate Minimum Tax** | + From 280 | 0. |
| **Capital Tax** | + From 550 | 2,733. |
| **Premium Tax** | + From 590 | 0. |
| **Total Tax Payable** | = 950 | 2,733. |
| **Subtract: Payments** | – 960 | 3,000. |
| **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 | -267. |
| **If payment due** | Enclosed * 990 | 0. |
| **If overpayment: Refund** *(Refer to Guide)* | = 975 | 267. |
| **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)

George McEachern

Title

President

Full Residence Address

Signature | Date

***Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.***

LOANS AND ADVANCES

| | |
|---|---|
| | 0.00 |
| CUSTOMER DEPOSITS - CURRENT | 68,300.00 |
| | 0.00 |
| LONG TERM CUSTOMER DEPOSITS | 84,030.00 |
| DUE TO RELATED COMPANY | 50,466.00 |
| DUE TO TOWN OF GRVANHURST | 1,095,775.00 |
| | 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 | 1,298,571.00 |

line 361

| | | |
|---|---|---|
| AMORTIZATION | | 131,528.00 |
| CCA | | -76,377.00 |
| CEC | | -6,207.00 |
| | | 0.00 |
| TRANSITION COST | | -8,240.00 |
| | | 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 | 40,704.00 |

# Corporate Minimum Tax - Schedule A: Calculation of CMT Base

**Banks** - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 -41,136.

**Subtract (to the extent reflected in net income/loss):**

| | | |
|---|---|---|
| Provision for recovery of income taxes | + 2101 | 0. |
| Provision for deferred income taxes (credits) | + 2102 | 0. |
| Equity income from corporations | + 2103 | 0. |
| Share of partnership(s)/joint venture(s) income | + 2104 | 0. |
| Dividends received/receivable deductible under fed.s.112 | + 2105 | 0. |
| Dividends received/receivable deductible under fed.s.113 | + 2106 | 0. |
| Dividends received/receivable deductible under fed.s.83(2) | + 2107 | 0. |
| Federal Part VI.1 tax paid on dividends declared and paid after May 5, 1997, under fed.s.191.1(1) 0. X 9/4 | + 2108 | 0. |
| **Subtotal** | = 0. – 2109 | 0. |

**Add (to extent reflected in net income/loss):**

| | | |
|---|---|---|
| Provision for current taxes | + 2110 | 0. |
| Provision for deferred income taxes (debits) | + 2111 | 0. |
| Equity losses from corporations | + 2112 | 0. |
| Share of partnership(s)/joint venture(s) losses | + 2113 | 0. |
| Dividends that have been deducted to arrive at net income per Financial Statements. ***Applies*** to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) | + 2114 | 0. |
| **Subtotal** | = 0. + 2115 | 0. |

**Add/Subtract:**

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

| | | | | |
|---|---|---|---|---|
| ** Fed.s.85 | + 2116 | 0. or | – 2117 | 0. |
| ** Fed.s.85.1 | + 2118 | 0. or | – 2119 | 0. |
| ** Fed.s.97 | + 2120 | 0. or | – 2121 | 0. |
| ** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years | + 2122 | 0. or | – 2123 | 0. |
| ** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years | + 2124 | 0. or | – 2125 | 0. |
| ** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years | + 2126 | 0. or | – 2127 | 0. |
| Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income | | | – 2150 | 0. |

| | | |
|---|---|---|
| **Subtotal (Additions)** | = 0. | + 2128 0. |
| **Subtotal (Subtractions)** | = 0. | – 2129 0. |
| ** Other adjustments | | ± 2130 0. |
| **Subtotal** ± 2100 – 2109 + 2115 + 2128 – 2129 ± 2130 | | = 2131 -41,136. |
| ** Share of partnership(s)/joint venture(s) **adjusted** net income/loss | | ± 2132 0. |
| **Adjusted net income (loss)** (if loss, transfer to 2202 *in* ***Schedule B: Continuity of CMT Losses Carried Forward, Page 20.***) | | = 2133 -41,136. |
| Deduct: * CMT losses: pre-1994 Loss | + From 2210 | 0. |
| * CMT losses: other eligible losses | + From 2211 | 0. |
| | = 0. | – 2134 0. |

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this tax return.*

**CMT Base** = 2135 0.

*Transfer to CMT Base on Page 8*

# Corporate Minimum Tax (CMT)

## Schedule B: Continuity of CMT Losses Carried Forward

| | | | | | |
|---|---|---|---|---|---|
| **Balance at Beginning of year** (1), (2) | | | | + 2201 | 0. |
| **Add:** Current year's losses | + 2202 | 41,136. | | | |
| Losses from predecessor corporations on amalgamation (3) | + 2203 | 0. | | | |
| Losses from predecessor corporations on wind-up (3) | + 2204 | 0. | | | |
| Amalgamation (x) 2205 ☐ Yes Wind-up (x) 2206 ☐ Yes | | | | | |
| **Subtotal** | = | 41,136. | + 2207 | | 41,136. |
| Adjustments (attach schedule) | | | | ± 2208 | 0. |
| **CMT losses available** 2201 + 2207 ± 2208 | | | | = 2209 | 41,136. |
| **Subtract:** Pre-1994 loss utilized during the year to reduce adjusted net income | + 2210 | 0. | | | |
| Other eligible losses utilized during the year to reduce adjusted net income (4) | + 2211 | 0. | | | |
| Losses expired during the year | + 2212 | 0. | | | |
| **Subtotal** | = | 0. | − 2213 | | 0. |
| **Balances at End of Year** (5) 2209 − 2213 | | | | = 2214 | 41,136. |

***Notes:***

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

## Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

| | Year of Origin (oldest year first) year month day | CMT Losses of Corporation | CMT Losses of Predecessor Corporations |
|---|---|---|---|
| 2240 | 2001-12-31 | 2260 41,136 | 2280 0 |
| 2241 | | 2261 0 | 2281 0 |
| 2242 | | 2262 0 | 2282 0 |
| 2243 | | 2263 0 | 2283 0 |
| 2244 | | 2264 0 | 2284 0 |
| 2245 | | 2265 0 | 2285 0 |
| 2246 | | 2266 0 | 2286 0 |
| 2247 | | 2267 0 | 2287 0 |
| 2248 | | 2268 0 | 2288 0 |
| 2249 | | 2269 0 | 2289 0 |
| **Totals** | | 2270 41,136 | 2290 0 |

***The sum of amounts*** 2270 + 2290 ***must equal amount in*** 2214.

# Corporate Minimum Tax (CMT)

## Schedule D: Continuity of CMT Credit Carryovers

**Balance at Beginning of year** (1) ..... + 2301 0.

**Add:** Current year's CMT Credit ( 280 on page 8. If negative, enter NIL) ..... + From 280 0.

CMT Credit Carryovers from predecessor corporations (2) ..... + 2302 0.

Amalgamation (x) 2303 ☐ Yes Wind-up (x) 2304 ☐ Yes

**Subtotal** ..... = 0. + 2305 0.

Adjustments *(Attach schedule)* ..... ± 2306 0.

**CMT credit carryover available** 2301 + 2305 ± 2306 ..... = 2307 0.
*Transfer to Page 8*

**Subtract:** CMT Credit utilized during the year to reduce income tax (Page 8) + From 310 0.

CMT Credit expired during the year ..... + 2308 0.

**Subtotal** ..... = 0. – 2309 0.

**Balance at End of Year** (3) 2307 – 2309 ..... = 2310 0.

***Notes:***

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390.

## Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

| | Year of Origin (oldest year first) year month day | CMT Credit Carryovers of Corporation | CMT Credit Carryovers of Predecessor Corporation(s) |
|---|---|---|---|
| 2340 | 2001-12-31 | 2360 0 | 2380 0 |
| 2341 | | 2361 0 | 2381 0 |
| 2342 | | 2362 0 | 2382 0 |
| 2343 | | 2363 0 | 2383 0 |
| 2344 | | 2364 0 | 2384 0 |
| 2345 | | 2365 0 | 2385 0 |
| 2346 | | 2366 0 | 2386 0 |
| 2347 | | 2367 0 | 2387 0 |
| 2348 | | 2368 0 | 2388 0 |
| 2349 | | 2369 0 | 2389 0 |
| **Totals** | | 2370 0 | 2390 0 |

***The sum of amounts*** 2370 + 2390 ***must equal amount in*** 2310.

Corp. Tax Acct. No. : 1800256 Year Ended: 2001-12-31

ONTARIO CT23 SUPPLEMENTARY - LIST OF ASSOCIATED CORPORATIONS

| Name of Associated Corporation | Ontario Corp. Tax Number | Taxation Year end | Taxable Capital | Total Assets (Note 1) | Total Revenue (Note 1) | Taxable Income (Note 2) |
|---|---|---|---|---|---|---|
| GRAVENHURST ENERGY SERVICES IN | 1800255 | 2001-12-31 | 347,323 | 411,015 | 24,124 | 9,822 |
| GRAVENHURST POWER INC | 1800257 | 2001-12-31 | 33,446 | 2,517,895 | 29 | 0 |
| **TOTALS** | | | 380,769 | 2,928,910 | 24,153 | 9,822 |

Note 1: Enter total assets and total revenues only if "Corporate Minimum Tax (CMT)" is applicable.

Note 2: Enter Taxable Income amounts only if "Surtax on a CCPC" is applicable (i.e. IDSBC is applicable).

**Gravenhurst Hydro Electric Inc.**

**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 and class 8 acquired in the taxation year by a total amount of $47,791 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

Corp. Tax Acct. No. : 1800256 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 | 384,562 | 0 | 0 | 192,281 | 4 | 0 | 0 | 1,939 | 382,623 |
| 1 | 0 | 5,739,449 | -43,597 | 0 | 2,869,724 | 4 | 0 | 0 | 28,494 | 5,667,358 |
| 8 | 0 | 42,305 | 0 | 0 | 21,152 | 20 | 0 | 0 | 1,066 | 41,239 |
| 10 | 0 | 39,416 | 0 | 0 | 19,708 | 30 | 0 | 0 | 1,490 | 37,926 |
| 12 | 0 | 6,957 | 0 | 0 | 3,478 | 100 | 0 | 0 | 877 | 6,080 |
| 12 | 0 | 26,210 | 0 | 0 | 13,105 | 100 | 0 | 0 | 3,303 | 22,907 |
| 8 | 0 | 7,548 | 0 | 0 | 3,774 | 20 | 0 | 0 | 190 | 7,358 |
| 10 | 0 | 409,215 | 0 | 2,000 | 203,607 | 30 | 0 | 0 | 15,396 | 391,819 |
| 12 | 0 | 493 | 0 | 0 | 0 | 100 | 0 | 0 | 124 | 369 |
| 8 | 0 | 918,065 | -4,194 | 0 | 459,032 | 20 | 0 | 0 | 22,929 | 890,942 |
| 8 | 0 | 22,579 | 0 | 0 | 11,289 | 20 | 0 | 0 | 569 | 22,010 |
| Total | 0 | 7,596,799 | -47,791 | 2,000 | 3,797,150 | | 0 | 0 | 76,377 | 7,470,631 |

## Ontario Cumulative Eligible Capital Deduction
## Schedule 10

(For taxation years 2000 and later)

- **For use by a corporation that has eligible capital property.**
- **A separate cumulative eligible capital account must be kept for each business.**

### Part 1 - Calculation of current year deduction and carry-forward

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Ontario Cumulative eligible capital - balance at end of preceding taxation year (if negative, enter zero) | | | | | | 0 | A |
| **Add:** Cost of eligible capital property acquired during the taxation year | + | 469,091 | B | | | | |
| Amount transferred on amalgamation or wind-up of subsidiary | + | 0 | C | | | | |
| Other adjustments | + | 0 | D | | | | |
| **Total of B + C + D** | = | 469,091 | | x 0.75 | = | 351,818 | E |
| **Subtotal A + E** | | | | | = | 351,818 | F |
| **Deduct:** Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year | + | 0 | G | | | | |
| The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the "Income Tax Act" (Canada) | + | 0 | H | | | | |
| Other adjustments | + | 0 | I | | | | |
| **Total of G + H + I** | = | 0 | | x 0.75 | = | 0 | J |
| **Ontario cumulative eligible capital balance F - J** | | | | | = | 351,818 | K |
| **"If K is negative, enter zero at line M and proceed to Part 2"** | | | | | | | |
| **Current year deduction** 351,818 **K** x 7.00% * | | | | | = | 6,207 | L |
| * "The maximum current year deduction is 7%. However, you can claim any amount up to the maximum." | | | | | Enter amount in box 651 of the CT23 | | |
| **Ontario cumulative eligible capital - closing balance K - L** (if negative, enter zero) | | | | | = | 345,611 | M |

Note: * Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

## Part 2 - Amount to be included in income arising from disposition

**"Only complete this part only if the amount at line K is negative"**

| | | | | | |
|---|---|---|---|---|---|
| Amount from line K above "show as a positive amount" | | | | 0 | **N** |
| Total cumulative eligible capital deductions from income for taxation years commencing before July 1, 1988 | | | 0 **1** | | |
| Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA | | | 0 **2** | | |
| Total of cumulative eligible capital deductions claimed for taxation years commencing after June 30, 1988 | 0 **3** | | | | |
| Negative balances in the cumulative eligible capital account that were included in income for taxation years commencing after June 30, 1988 | 0 **4** | | | | |
| Line **3** deduct line **4** | 0 | | 0 **5** | | |
| Total lines **1** + **2** + **5** | | | 0 **6** | | |
| Line **T** from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 | | | 0 **7** | | |
| Deduct line **7** from line **6** | | | 0 | 0 | **O** |
| **N** - **O** (cannot be negative) | | | | 0 | **P** |
| Amount on line **5** 0 x 1/2 | | | | 0 | **Q** |
| **P** - **Q** | | | | 0 | **R** |
| Amount on line **R** 0 x 2/3 * | | | | 0 | **S** |
| Lesser of line **N** or line **O** | | | | 0 | **T** |
| **Amount to be included in income S + T** For taxation years ending before February 28, 2000, line **N** - line **Q** | | | | 0 | |

Note: * For taxation years ending after February 27, 2000, and before October 18, 2000, use 8/9 to calculate line **S**.

GRAVENHURST HYDRO ELECTRIC INC
Corp. Tax Acct. No. : 1800256
Year Ended: 2001-12-31
ONT Auth. Let

## 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

GRAVENHURST HYDRO ELECTRIC INC
195 PROGRESS DRIVE
P.O.Box 250
GRAVENHURST
ON
P1P-1T6

Corporation account number.....1800256

## 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)

| | President | | 705-687-2321 | |
|---|---|---|---|---|
| Signature of client or authorized signing officer | | Title | Telephone number | Date |

**We will not accept this form unless it is signed.**

Canada Customs and Revenue Agency

# T2 CORPORATION INCOME TAX RETURN
## (2001 and later taxation years)

200
Code 0101

This form serves as a federal and provincial or 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 *2001 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and *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 returns, see items 1 to 5 in the guide.

**055 Do not use this area**

CLIENT'S COPY

## Identification

**Business Number (BN)** (item 11) .... **001** 891085615 **RC** 0001

**002 Corporation's name** (Item 12)
Gravenhurst Hydro Electric Inc.

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** (item 13)

Has the address changed since the last time we were notified? ..... **010** 1 Yes ☐ 2 No ☒

**011** 195 Progress Drive
**012** P.O. Box 250

| City | Province, territory or state |
|---|---|
| **015** Gravenhurst | **016** ON |
| **Country (other than Canada)** | **Postal code / ZIP code** |
| **017** CA | **018** P1P1T6 |

**Mailing address** (If different from head office address) (item 14)

Has the address changed since the last time we were notified?
**020** 1 Yes ☒ 2 No ☐

**021 c/o** George McEachern
**022** P.O. Box 250
**023**

| City | Province, territory or state |
|---|---|
| **025** Gravenhurst | **026** ON |
| **Country (other than Canada)** | **Postal code / ZIP code** |
| **027** CA | **028** P1P1T6 |

**Location of books and records** (item 15)
**031** 195 Progress Drive
**032** P.O. Box 250

| City | Province, territory or state |
|---|---|
| **035** Gravenhurst | **036** ON |
| **Country (other than Canada)** | **Postal code / ZIP code** |
| **037** CA | **038** P1P1T6 |

**040 Type of corporation at the end of the taxation year** (item 16)

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 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?** (item 17)

| Taxation year start | Taxation year-end |
|---|---|
| **060** 2002/01/01 | **061** 2002/12/31 |
| 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?** (item 18) ..... **067** 1 Yes ☐ 2 No ☒

**Is this the first year of filing after:**
Incorporation? (item 19) ..... **070** 1 Yes ☐ 2 No ☒
Amalgamation? (item 20) ..... **071** 1 Yes ☐ 2 No ☒
If *yes*, please provide Schedule 24

**Has there been a wind-up of a subsidary under section 88 during the current taxation year?** (item 21)
If *yes*, please provide Schedule 24 **072** 1 Yes ☐ 2 No ☒

**Is this the final taxation year before amalgamation?** (item 22). ..... **076** 1 Yes ☐ 2 No ☒

**Is this the final return up to dissolution?** (item 23). ..... **078** 1 Yes ☐ 2 No ☒

**Is the corporation a resident of Canada?** (item 24)
**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?** (item 24)
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:** (item 25)
**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** | | |



**No longer required by the CCRA. Submit the RSI forms only**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2002/12/31 |

## 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 | No | Schedule |
|---|---|---|---|---|---|
| 27 | Is the corporation related to any other corporations? | 150 | X | | 9 |
| 28 | Does the corporation have any non-resident shareholders? | 151 | | X | 19 |
| 29 | Is the corporation an associated Canadian-controlled private corporation? | 160 | X | | 23 |
| 30 | Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit? | 161 | | X | 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 | | X | 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 | | X | 44 |
| 34 | Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? | 164 | | X | 14 |
| 35 | Is the corporation claiming a deduction for payments to a type of employee benefit plan? | 165 | | X | 15 |
| 37 | Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? | 166 | | X | T5004 |
| 38 | Is the corporation a member of a partnership for which a partnership identification number has been assigned? | 167 | | X | T5013 |
| 40 | Did the corporation, a foreign affiliate controlled by the corporation, or any other corp. or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust? | 168 | | X | 22 |
| 41 | Did the corporation have any foreign affiliates during the year? | 169 | | X | 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 | | X | 29 |
| 43 | Has the corporation had any non-arm's-length transactions with a non-resident? | 171 | | X | T106 |
| 47 | Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year? | 172 | | X | — |
| 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 |
| 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 or a province, or gifts of cultural or ecological property? | 202 | | X | 2 |
| 82,104 | Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? | 203 | | X | 3 |
| 69-76 | Is the corporation claiming any type of losses? | 204 | X | | 4 |
| 131 | Is the corporation claiming provincial tax credit or does it have a permanent establishment in more than one jurisdiction? | 205 | | X | 5 |
| 56 | Has the corporation realized any capital gains or incurred any capital losses during the taxation year? | 206 | | X | 6 |
| 102 | (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 | | X | 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 | X | | 10 |
| 59 | Does the corporation have any resource-related deductions? | 212 | | X | 12 |
| 60 | Is the corporation claiming reserves of any kind? | 213 | | X | 13 |
| 61 | Is the corporation claiming a patronage dividend deduction? | 216 | | X | 16 |
| 62 | Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an add. deduction? | 217 | | X | 17 |
| 149 | Is the corporation an investment corporation or a mutual fund corporation? | 218 | | X | 18 |
| 130 | Was the corporation carrying on business in Canada while not a Canadian corporation? | 220 | | X | 20* |
| 117 | Is the corporation claiming any federal or provincial foreign tax credits or any federal or provincial logging tax credits? | 221 | | X | 21 |
| 154 | Is the corporation a non-resident-owned investment corporation claiming an allowable refund? | 226 | | X | 26* |
| 110 | Does the corporation have any Canadian manufacturing and processing profits? | 227 | | X | 27 |
| 120 | Is the corporation claiming an investment tax credit? | 231 | | X | 31 |
| 63 | Is the corporation claiming any scientific research and experimental development expenditures? | 232 | | X | T661/T665 |
| 123 | Is the corporation subject to gross Part 1.3 tax? | 233 | | X | 33/34/35 |
| 123 | Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax? | 236 | X | | 36 |
| 123 | Is the corporation claiming a surtax credit? | 237 | | X | 37 |
| 127 | Is the corporation subject to gross Part VI tax on capital of financial institutions? | 238 | | X | 38 |
| 127 | Is the corporation claiming a Part I tax credit? | 242 | | X | 42 |
| 128 | Is the corp. subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid? | 243 | | X | 43 |
| 128 | Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? | 244 | | X | 45 |
| 124 | Is the corporation subject to Part II - Tobacco Manufacturers' surtax ? | 249 | | X | 46 |
| 127 | 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 | | X | 39 |
| 127 | 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 | | X | 40 |
| 127 | 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 | | X | 41 |
| 151 | Is the corporation claiming a Canadian film or video production tax credit refund? | 253 | | X | T1131 |



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| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2002/12/31 |

## Attachments - continued from page 2

| Guide item | | Yes | No | Sched. |
|---|---|---|---|---|
| 129 | Is the corporation subject to Part XIII.1 tax? | | X | 92* |
| 152 | Is the corporation claiming a film or video production service tax credit refund? | | X | T1177 |
| 44 | Did the corporation have any foreign affiliates that are not controlled foreign affiliates? | | X | T1134-A |
| 44 | Did the corporation have any controlled foreign affiliates? | | X | T1134-B |
| 44 | Did the corporation own specified foreign property in the year with a cost amount of over $100,000? | | X | T1135 |
| 44 | Did the corporation transfer or loan property to a non-resident trust? | | X | T1141 |
| 44 | Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? | | X | T1142 |
| – | Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada ? | | X | T1145 |
| – | Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? | | X | T1146 |
| – | Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED ? | | X | T1174 |

## Additional information

| | | | |
|---|---|---|---|
| Is the corporation inactive? (item 48) | 280 | 1 Yes | 2 No X |
| Has the major business activity changed since the last return was filed? (enter *yes* for first time filers) (item 49) | 281 | 1 Yes | 2 No X |

What is the corporation's major business activity? (item 50) **282** Hydro Electric services
(Only complete if *yes* was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51) **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 (item 52)

| | | | |
|---|---|---|---|
| **284** | Hydro Distribution | **285** | 97.5 % |
| **286** | Other | **287** | 2.5 % |
| **288** | | **289** | % |

| | | | |
|---|---|---|---|
| Did the corporation immigrate to Canada during the taxation year? (item 53) | 291 | 1 Yes | 2 No X |
| Did the corporation emigrate from Canada during the taxation year? (item 54) | 292 | 1 Yes | 2 No X |

## Taxable income

| | | | |
|---|---|---|---|
| Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI (item 77) | 300 | 250,591 | A |
| **Deduct:** Charitable donations from Schedule 2 (item 78) | 311 | | |
| Gifts to Canada or a province from Schedule 2 (item 79) | 312 | | |
| Cultural gifts from Schedule 2 (item 80) | 313 | | |
| Ecological gifts from Schedule 2 (item 81) | 314 | | |
| Taxable dividends deductible under section 112, 113, or subsection 138(6) from Schedule 3 (item 82) | 320 | | |
| Part VI.1 tax deduction from Schedule 43 (item 83) | 325 | | |
| Non-capital losses of preceding taxation years from Schedule 4 (item 84) | 331 | 1,258 | |
| Net-capital losses of preceding taxation years from Schedule 4 (item 85) | 332 | | |
| Restricted farm losses of preceding taxation years from Schedule 4 (item 86) | 333 | | |
| Farm losses of preceding taxation years from Schedule 4 (item 87) | 334 | | |
| Limited partnership losses of preceding taxation years from Schedule 4 (item 88) | 335 | | |
| Taxable capital gains or taxable dividends allocated from a central credit union (item 89) | 340 | | |
| Prospector's and grubstaker's shares (item 90) | 350 | | |
| Subtotal | | 1,258 ▶ 1,258 | B |
| Subtotal (amount A minus amount B) | | 249,333 | C |
| **Add:** Section 110.5 additions and/or subparagraph 115(1)(a)(vii) addition(item 91) | 355 | | D |
| **Taxable income** (amount C plus amount D) (item 92) | 360 | 249,333 | |
| Income exempt under paragraph 149(1)(t) (item 93) | 370 | | |
| **Taxable income** for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94) | | 249,333 | Z |



**No longer required by the CCRA. Submit the RSI forms only**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

## Small business deduction

**Canadian-controlled private corporations (CCPCs) throughout the taxation year**

| | | | |
|---|---|---|---|
| Income from active business carried on in Canada from Schedule 7 (item 95) | 400 | 250,591 | 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** on page 7, and **minus** any amount that, because of federal law is exempt from Part I tax (item 96) | 405 | 249,333 | B |
| Business limit (for associated corporations, enter business limit from Schedule 23) (item 97) | 410 | 200,000 | C |

**Reduction to business limit:** (item 98)

Amount C 200,000 x 415 *** / 11,250 D = E

| | | | |
|---|---|---|---|
| Reduced business limit (amount C minus amount E) (if negative, enter "0") | 425 | 200,000 | F |
| **Small business deduction** - 16% of the least of amounts A, B, C, and F (enter amount G on line 9 on page 7.) | 430 | 32,000 | 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) 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 for preceding year** - Enter the total gross Part 1.3 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 (item 99)

**Canadian controlled private corporations throughout the taxation year that claimed the small business deduction**

| | | | | |
|---|---|---|---|---|
| Reduced business limit (amount from line 425) | 200,000 | x 3/2 = | 300,000 | A |
| Net active business income (amount from line 400) * | | | 250,591 | B |
| Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of the maximum deductible amount at line 636** on page 7, and minus any amount that, because of federal law is exempt from Part I tax | 249,333 | C | | |
| **Deduct:** | | | | |
| Aggregate investment income (amount from line 440 of page 6) | | D | | |
| Amount C minus amount D (if negative, enter "0") | 249,333 | ▶ | 249,333 | E |
| The least of amounts A, B, or E above | | | 249,333 | F |
| Amount Z from Part 9 of Schedule 27 x 100/7 = | | G | | |
| Amount QQ from Part 13 of Schedule 27 | | H | | |
| Resource allowance (amount from line 346 of Schedule 1) x 3 = | | I | | |
| Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) | | J | | |
| Least of amounts on lines 400, 405, 410, and 425 of the small business deduction. | 200,000 | K | | |
| Total of amounts G, H, I, J, and K | 200,000 | ▶ | 200,000 | L |
| Amount F minus amount L (if negative, enter "0") | | | 49,333 | M |
| Amount M 49,333 x Number of days in the taxation year after December 31, 2000 / Number of days in the taxation year 365/365 | 365 | = | 49,333 | N |
| **Accelerated tax reduction** - 7% of amount N (enter amount O on line 637 on page 7) | | | 3,453 | O |

* If the amount at line 450 of Schedule 7 is positive, specified 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.



**No longer required by the CCRA. Submit the RSI forms only**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

## General tax reduction for Canadian-controlled private corporations (item 100)

**Canadian-controlled private corporations throughout the taxation year**

| | | | | |
|---|---|---|---|---|
| Taxable Income from line 360 or amount Z of page 3 | | | | 249,333 A |
| Amount Z from Part 9 of Schedule 27 | x 100/7 = | | B | |
| Amount QQ from Part 13 of Schedule 27 | | | C | |
| Resource allowance (amount from line 346 of Schedule 1) | x 3 = | | D | |
| Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) | | | E | |
| Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4 | | 200,000 | F | |
| Aggregate investment income from line 440 on page 6 | | | G | |
| Amount used to calculate the accelerated tax reduction (amount M on page 4) | | 49,333 | H | |
| Total of amounts B, C, D, E, F, G, and H | | 249,333 | ▶ | 249,333 I |
| Amount A minus amount I (if negative, enter "0") | | | | J |
| Amount J x Number of days in the taxation year in 2001 / Number of days in the taxation year | | 365 | X 1% = | K |
| Amount J x Number of days in the taxation year in 2002 / Number of days in the taxation year | | 365 / 365 | X 3% = | L |
| Amount J x Number of days in the taxation year in 2003 / Number of days in the taxation year | | 365 | X 5% = | M |
| Amount J x Number of days in the taxation year after 2003 / Number of days in the taxation year | | 365 | X 7% = | N |

**General tax reduction for Canadian-controlled private corporations** - Total of amounts K, L, M and N ..... O
(enter amount O on line 638 of page 7)

## General tax reduction (item 101)

**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 | | | | A |
| Amount Z from Part 9 of Schedule 27 | x 100/7 = | | B | |
| Amount QQ from Part 13 of Schedule 27 | | | C | |
| Resource allowance (amount from line 346 of Schedule 1) | x 3 = | | D | |
| Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) | | | E | |
| Total of amounts B, C, D, and E | | | ▶ | F |
| Amount A minus amount F (if negative, enter "0") | | | | G |
| Amount G x Number of days in the taxation year in 2001 / Number of days in the taxation year | | 365 | X 1% = | H |
| Amount G x Number of days in the taxation year in 2002 / Number of days in the taxation year | | 365 / 365 | X 3% = | I |
| Amount G x Number of days in the taxation year in 2003 / Number of days in the taxation year | | 365 | X 5% = | J |
| Amount G x Number of days in the taxation year after 2003 / Number of days in the taxation year | | 365 | X 7% = | K |

**General tax reduction** - Total of amounts H, I, J and K ..... L
(enter amount L on line 639 of page 7)



**No longer required by the CCRA. Submit the RSI forms only**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

## Refundable portion of Part I tax (item 102)

**Canadian-controlled private corporations throughout the taxation year**

Aggregate investment income ..... **440** _____ X 26 2/3 % = ..... _____ A
(Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 ..... _____

**Deduct:**

Foreign investment income ..... **445** _____ X 9 1/3 % = ..... _____
(Amount O from Part 1 of Schedule 7) (if negative, enter "0") _____ ▶ _____ B

Amount A minus amount B (if negative, enter "0") ..... _____ C

Taxable income from line 360 on page 3 ..... 249,333

**Deduct:**

Least of amounts on lines 400, 405, 410, and 425 on page 4 . 200,000

Foreign non-business income tax credit from line 632 on page 7 _____ X 25/9 _____

Foreign business income tax credit from line 636 on page 7 _____ X 10/4 _____

200,000 ▶ 200,000

49,333 X 26 2/3 %= 13,155 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) 37,154

**Deduct** corporate surtax from line 600 of page 7 ..... 2,793

Net Amount ..... 34,361 ▶ 34,361 E

**Refundable portion of Part I tax** - The least of amounts C, D, and E ..... **450** <NIL> F

## Refundable dividend tax on hand (item 103)

Refundable dividend tax on hand at the end of the preceding taxation year ..... **460** _____

**Deduct** dividend refund for the previous taxation year ..... **465** _____

_____ ▶ _____ A

**Add** the total of:

Refundable portion of Part I tax from line 450 above ..... _____

Total Part IV tax payable from line 360 on page 2 of Schedule 3 ..... _____

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation ..... **480** _____

_____ ▶ _____ B

**Refundable dividend tax on hand at the end of the taxation year** - Amount A plus amount B ..... **485** <NIL>

## Dividend refund (item 104)

**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 .... _____ X 1/3 _____ A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... _____ B

**Dividend refund** - Lesser of amounts of A and B (enter this amount on line 784 of page 8) ..... _____



**No longer required by the CCRA. Submit the RSI forms only**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

## Part I tax

**Base amount of Part I tax** -38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 105) ..... **550** 94,747 A

**Corporate surtax calculation** (item 106)

| | | | |
|---|---|---|---|
| Base amount from line A above | | 94,747 | 1 |
| **Deduct:** | | | |
| 10% of taxable income (line 360 or amount Z, whichever applies) from page 3 | | 24,933 | 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 the least of a, b, and c below on line 6: | | | |
| 28% of taxable income from line 360 on page 3 | 69,813 a | | |
| 28% of taxed capital gains | b | | 6 |
| Part I tax otherwise payable (line A **plus** lines C and D **minus** line F) | 34,361 c | | |
| Total of lines 2 to 6 | | 24,933 | 7 |
| Net amount (line 1 minus line 7) | | 69,814 | 8 |

**Corporate surtax** - 4% of the amount on line 8 ..... **600** 2,793 B

Recapture of Investment tax credit from line XX in Part 16 on page 8 of Schedule 31 (item 107) ..... **602** C

**Calculation for the refundable tax on Canadian-controlled private corporation's investment income** (for a CCPC throughout the taxation year) (item 108)

| | | | |
|---|---|---|---|
| Aggregate investment income from line 440 on page 6 | | | i |
| Taxable income from line 360 on page 3 | 249,333 | | |
| **Deduct:** | | | |
| The least of amounts on lines 400, 405, 410, and 425 of page 4 | 200,000 | | |
| Net amount | 49,333 ▶ | 49,333 | ii |

**Refundable tax on CCPC's Investment income** - 6 2/3 % of the lesser of amounts i or ii ..... **604** D

Subtotal (add lines A, B, C, and D) 97,540 E

**Deduct:**

| | | | | |
|---|---|---|---|---|
| Small business deduction from line 430 of page 4 | | | 32,000 | 9 |
| Federal tax abatement (item 109) | **608** | | 24,933 | |
| Manufacturing and processing profits deduction from amount BB or amount VV of Schedule 27 (item 110) | **616** | | | |
| Investment corporation deduction (item 111) | **620** | | | |
| (taxed capital gains **624** ) | | | | |
| Additional deduction - credit unions from Schedule 17 (item 112) | **628** | | | |
| Federal foreign non-business income tax credit from Schedule 21 (item 113) | **632** | | | |
| Federal foreign business income tax credit from Schedule 21 (item 114) | **636** | | | |
| Accelerated tax reduction from amount O of page 4 (item 115) | **637** | | 3,453 | |
| General tax reduction for CCPCs from amount M of page 5 (item 116) | **638** | | | |
| General tax reduction from amount J of page 5 (item 116) | **639** | | | |
| Federal logging tax credit from Schedule 21 (item 117) | **640** | | | |
| Federal political contribution tax credit (item 118) | **644** | | | |
| Federal political contributions | **646** | | | |
| Federal qualifying environmental trust tax credit (item 119) | **648** | | | |
| Investment tax credit from Schedule 31 (item 120) | **652** | | | |
| Subtotal | | | 60,386 ▶ | 60,386 F |

**Part I tax payable** - Line E minus line F (enter amount G on line 700 of page 8) (Item 121) ..... 37,154 G

**No longer required by the CCRA. Submit the RSI forms only**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2002/12/31 |

## Summary of tax and credits

**Federal tax**

| | | |
|---|---|---|
| Part I tax payable from page 7 (item 122) | 700 | 37,154 |
| Part I.3 tax payable from Schedule 33, 34 or 35 (item 123) | 704 | |
| Part II surtax payable from Schedule 46 (item 124) | 708 | |
| Part IV tax payable from Schedule 3 (item 125) | 712 | |
| Part IV.1 tax payable from Schedule 43 (item 126) | 716 | |
| Part VI tax payable from Schedule 38 (item 127) | 720 | |
| Part VI.1 tax payable from Schedule 43 (item 128) | 724 | |
| Part XIII.1 tax payable from Schedule 92 (item 129) | 727 | |
| Part XIV tax payable from Schedule 20 (item 130) | 728 | |
| Total federal tax | | 37,154 |

**Add provincial and territorial tax:**

Provincial or territorial jurisdiction (item 131) .... 750 Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

| | | |
|---|---|---|
| Net provincial and territorial tax payable (except Que., Ont. and Alberta) (item 132) | 760 | |
| Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 146) | 765 | |
| Total tax payable | 770 | 37,154 A |

**Deduct other credits:**

| | | |
|---|---|---|
| Investment tax credit refund from Schedule 31 (item 147) | 780 | |
| Dividend refund from page 6 (item 148) | 784 | |
| Federal capital gains refund from Schedule 18 (item 149) | 788 | |
| Federal qualifying environmental trust tax credit refund (item 150) | 792 | |
| Canadian film or video production tax credit refund from Form T1131 (item 151) | 796 | |
| Film or video production services tax credit refund from Form T1177 (item 152) | 797 | |
| Tax withheld at source (item 153) | 800 | |
| Total payments on which tax has been withheld (item 153) | 801 | |
| Allowable refund for non-resident-owned investment corporations from Schedule 26 (item 154) | 804 | |
| Provincial and territorial capital gains refund from Schedule 18 (item 155) | 808 | |
| Provincial and territorial refundable tax credits from Schedule 5 (item 156) | 812 | |
| Royalties deduc. under Syncrude Remis. Order (item 157) | 815 | |
| Tax remitted under Syncrude Remission Order (item 157) | 816 | |
| Tax instalments paid (item 158) | 840 | |
| Total credits | 890 | <NIL> <NIL> B |
| Balance (line A minus line B) | | 37,154 |

Refund code (item 159) 894 ☐

Overpayment (Item 162) _____

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 (item 162) 37,154

Enclosed payment (item 161) 898 _____

### Direct Deposit Request (item 163)

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? (item 160). . . . 896 1 Yes ☒ 2 No ☐

### Certification (item 164)

I, 950 McEachern (Last name in block letters) 951 George (First name in block letters) 954 President (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 04/04/2003 (Date (dd/mm/yyyy)) _____ (Signature of an authorized signing officer of the corporation) 956 705-687-2321 (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 (item 165)

990 Please indicate the language of your choice.
Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Francais/French ☐

**No longer required by the CCRA. Submit the RSI forms only**

Canada Customs and Revenue Agency

# NET INCOME (LOSS) FOR INCOME TAX PURPOSES
**(2000 and later taxation years)**

**SCHEDULE 1**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2002/12/31 |

Net income (loss) after taxes and extraordinary items per financial statements ..... 260,087 A

**Add:**

| | | | |
|---|---|---|---|
| Provision for income taxes - current | 101 | 65,546 | |
| Provision for income taxes - deferred | 102 | | |
| Interest and penalties on taxes | 103 | | |
| Amortization of tangible assets | 104 | | |
| Amortization of natural resource assets | 105 | | |
| Amortization of intangible assets | 106 | 466,351 | |
| Recapture of capital cost allowance from Schedule 8 | 107 | | |
| Gain on sale of eligible capital property from Schedule 10 | 108 | | |
| Income or loss for tax purposes - joint ventures or partnerships | 109 | | |
| Loss in equity of subsidiaries and affiliates | 110 | | |
| Loss on disposal of assets | 111 | 97,199 | |
| Charitable donations from Schedule 2 | 112 | | |
| Taxable capital gains from Schedule 6 | 113 | | |
| Political donations | 114 | | |
| Holdbacks | 115 | | |
| Deferred and prepaid expenses | 116 | | |
| Depreciation in inventory - end of year | 117 | | |
| Scientific research expenditures deducted per financial statements | 118 | | |
| Capitalized interest | 119 | | |
| Non-deductible club dues and fees | 120 | | |
| Non-deductible meals and entertainment expenses | 121 | | |
| Non-deductible automobile expenses | 122 | | |
| Non-deductible life insurance premiums | 123 | | |
| Non-deductible company pension plans | 124 | | |
| Tax reserves deducted in prior year from Schedule 13 | 125 | | |
| Reserves from financial statements - balance at the end of the year | 126 | | |
| Soft costs on construction and renovation of buildings | 127 | | |
| Total of fields 201 to 294 on page 2 | 199 | | |
| Total of fields 101 to 199 | 500 | 629,096 | ▶ 629,096 |

**Deduct:**

| | | | |
|---|---|---|---|
| Gain on disposal of assets per financial statements | 401 | | |
| Dividends not taxable under section 83 from Schedule 3 | 402 | | |
| Capital cost allowance from Schedule 8 | 403 | 614,399 | |
| Terminal loss from Schedule 8 | 404 | | |
| Cumulative eligible capital deduction from Schedule 10 | 405 | 24,193 | |
| Allowable business investment loss - Schedule 6 | 406 | | |
| Foreign non-business tax deduction under subsection 20(12) | 407 | | |
| Holdbacks | 408 | | |
| Deferred and prepaid expenses | 409 | | |
| Depreciation in inventory - end of prior year | 410 | | |
| Scientific research expenses claimed in year from Form T661 | 411 | | |
| Tax reserves claimed in current year from Schedule 13 | 413 | | |
| Reserves from financial statements - balance at the beginning of the year | 414 | | |
| Patronage dividends from Schedule 16 | 416 | | |
| Contributions to deferred income plans from Schedule 15 | 417 | | |
| Total of fields 300 to 394 on page 3 | 499 | | |
| Total of fields 401 to 499 | 510 | 638,592 | ▶ 638,592 |

**Net income (loss) for income tax purposes** - enter at line 300 on page 3 of the T2 return ..... 250,591

**Add:**

| | | |
|---|---|---|
| Accounts payable and accruals for cash basis - closing | 201 | |
| Accounts receivable and prepaid for cash basis - opening | 202 | |
| Accrual inventory - opening | 203 | |
| Accrued dividends - prior year | 204 | |
| Book loss on joint ventures or partnerships | 205 | |
| Capital items expensed | 206 | |
| All crown charges, royalties, rentals, etc. | 207 | |
| Debt issue expense | 208 | |
| Deemed dividend income | 209 | |
| Deemed interest on loans to non-residents | 210 | |
| Deemed interest received | 211 | |
| Development expenses claimed in current year | 212 | |
| Dividend stop-loss adjustment | 213 | |
| Dividends credited to the investment account | 214 | |
| Exploration expenses claimed in current year | 215 | |
| Financing fees deducted in books | 216 | |
| Foreign accrual property income | 217 | |
| Foreign affiliate property income | 218 | |
| Foreign exchange included in retained earnings | 219 | |
| Gain on settlement of debt | 220 | |
| Interest paid on income debentures | 221 | |
| Limited partnership losses from Schedule 4 | 222 | |
| Loss from international banking centres | 223 | |
| Mandatory inventory adjustment - included in current year | 224 | |
| Mining royalties (provincial mining taxes) | 225 | |
| Non-deductible advertising | 226 | |
| Non-deductible interest | 227 | |
| Non-deductible legal and accounting fees | 228 | |
| Optional value of inventory - included in current year | 229 | |
| Other expenses from financial statements | 230 | |
| Recapture of SR&ED expenditures - Form T661 | 231 | |
| Resource amounts deducted | 232 | |
| Restricted farm losses - current year - Schedule 4 | 233 | |
| Sales tax assessments | 234 | |
| Share issue expense | 235 | |
| Write-down of capital property | 236 | |
| Amounts received in respect of qualifying environmental trust per paragraphs 12(1)(z.1) and 12(1)(z.2) | 237 | |
| Contractors' completion method adjustment: revenue net of costs on contracts under 2 years - previous year | 238 | |

**Other additions:**

| | | |
|---|---|---|
| 600 | | 290 |
| 601 | | 291 |
| 602 | | 292 |
| 603 | | 293 |
| 604 | | 294 |

Total of fields 201 to 294 (enter this amount at line 199 on page 1)

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

**Deduct:**

| | | |
|---|---|---|
| Accounts payable and accruals for cash basis - opening | 300 | |
| Accounts receivable and prepaid for cash basis - closing | 301 | |
| Accrual inventory - closing | 302 | |
| Accrued dividends - current year | 303 | |
| Bad debt | 304 | |
| Book income of joint venture or partnership | 305 | |
| Equity in income from subsidiaries or affiliates | 306 | |
| Exempt income under section 81 | 307 | |
| Income from international banking centres | 308 | |
| Mandatory inventory adjustment - included in prior year | 309 | |
| Contributions to qualifying environmental trust | 310 | |
| Non-Canadian advertising expenses - broadcasting | 311 | |
| Non-Canadian advertising expenses - printed materials | 312 | |
| Optional value of inventory - included in prior year | 313 | |
| Other income from financial statements | 314 | |
| Payments made for allocations in proportion to borrowing and bonus interest payment from Schedule 17 | 315 | |
| Contractors' completion method adjustment: revenue net of costs on contracts under 2 years - current year | 316 | |

**Resource deductions:**

| | | |
|---|---|---|
| Canadian development expenses from Schedule 12 | 340 | |
| Canadian exploration expenses from Schedule 12 | 341 | |
| Canadian oil and gas property expenses from Schedule 12 | 342 | |
| Deductible crown charges | 343 | |
| Depletion from Schedule 12 | 344 | |
| Foreign exploration and development expenses from Schedule 12 | 345 | |
| Resource allowance | 346 | |

**Other deductions:**

| | | |
|---|---|---|
| 700 | | 390 |
| 701 | | 391 |
| 702 | | 392 |
| 703 | | 393 |
| 704 | | 394 |

Total of fields 300 to 394 (enter this amount at line 499 on page 1)

Canada Customs and Revenue Agency

# CORPORATION LOSS CONTINUITY AND APPLICATION (2000 and later taxation years)

**SCHEDULE 4**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2002/12/31 |

- 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 carry-back 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 detailed description and calculation of these losses, see IT-232, *Losses-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 center 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 | | $ 250,591 |
| **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 - 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 carry-back

| | | | |
|---|---|---|---|
| Non-capital loss at the end of preceding taxation year | | $ 1,258 | |
| **Deduct:** | | | |
| Non-capital loss expired after seven taxation years | 100 | | |
| Non-capital losses at the beginning of taxation year | 102 | 1,258 | |
| **Add:** | | | |
| Non-capital losses transferred on amalgamation or wind-up of subsidiary | 105 | | |
| Current year non-capital loss (from calculation above) | 110 | | $ 1,258 |
| **Deduct:** | | | |
| Amount applied against taxable income (enter on line 331 of the T2 return) | 130 | 1,258 | |
| Amount applied against taxable dividends subject to Part IV tax | 135 | | |
| Section 80 Adjustments for forgiven amounts | 140 | | |
| Other adjustments | 150 | | 1,258 |
| Subtotal | | | |
| **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 taxation 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 (if negative, enter zero) | 180 | | $ |

### 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.

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

## Part 2 - Capital Losses

**Continuity of capital losses and request for carry-back**

| | | | |
|---|---|---|---|
| Capital losses at end of preceding taxation year | 200 | $ | |
| Capital losses transferred on amalgamation or wind-up of 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 | 225 | | |
| Section 80 adjustment for forgiven amounts | 240 | | |
| Other adjustments | 250 | | |
| Subtotal | | | |
| **Deduct - Request to carry back capital loss to:** (see note 2) | | | |
| 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 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 is applied.

## Part 3 - Farm Losses

**Continuity of farm losses and request for carry-back**

| | | | |
|---|---|---|---|
| Farm losses at end of preceding taxation year | | $ | |
| **Deduct:** | | | |
| Farm loss expired after ten taxation years | 300 | | |
| Farm losses at beginning of taxation year | 302 | | |
| Farm losses transfer on amalgamation or wind-up of subsidiary | 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 adjustment 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 taxation 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 | |
| Current year restricted farm loss (enter this amount on line 410 on next page) | | | $ |

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2002/12/31 |

## Part 4 - Restricted Farm Losses (continued)

**Continuity of restricted farm losses and request for carry-back**

| | | | |
|---|---|---|---|
| Restricted farm losses at end of preceding taxation year | | $ | |
| **Deduct:** Restricted farm loss expired after ten taxation years | 400 | | |
| Restricted farm losses at beginning of taxation year | 402 | | |
| **Add:** | | | |
| Restricted farm losses transferred on amalgamation or wind-up of subsidiary | 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 computed without including any scientific research expenses.

## Part 5 - Listed Personal Property Losses

**Continuity of listed personal property loss and request for carry-back**

| | | | |
|---|---|---|---|
| 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 6 - Analysis of Balance of Losses by Year of Origin

| Year of origin | Non-capital losses $ | Farm losses $ | Restricted farm losses $ | Listed personal property losses $ |
|---|---|---|---|---|
| 2002/12/31 | | | | |
| 2001/12/31 | | | | |
| 2000/12/31 | | | | |
| 1999/12/31 | | | | |
| 1998/12/31 | | | | |
| 1997/12/31 | | | | |
| 1996/12/31 | | | | |
| 1995/12/31 | | | | |
| 1994/12/31 | | | | |
| 1993/12/31 | | | | |
| Total | | | | |

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

**Part 7 - Limited Partnership Losses**

**Current year limited partnership losses**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|
| Partnership identifier **600** | Fiscal period ending YYYY/MM/DD **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 - 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 YYYY/MM/DD **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** | Columns 4 - 5 If negative, enter "0" | Limited partnership losses that may be applied in the year The lesser of columns 3 and 6 **650** |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |

**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 transfer on amalgamation or wind-up of 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** |
|---|---|---|---|---|---|---|
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |

**Total** (enter this amount on line 335 of the T2 return)

T2 SCH 4

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

## Continuity of Losses Carried Forward

**SCHEDULE 4 - Federal Supplement**

**Capital losses - gross amount**
**Balance - beginning of year** .....

**Losses carried forward from previous years:**

| Year of Origin | Non-Capital Losses | Non-Capital Losses from Pred. Co's | Net-Capital Losses from Listed Property | Farm Losses | Restricted Farm Losses |
|---|---|---|---|---|---|
| 31/12/1992 | | | | | |
| 31/12/1993 | | | | | |
| 31/12/1994 | | | | | |
| 31/12/1995 | | | | | |
| 31/12/1996 | | | | | |
| 31/12/1997 | | | | | |
| 31/12/1998 | | | | | |
| 31/12/1999 | | | | | |
| 31/12/2000 | | | | | |
| 31/12/2001 | 1.258 | | | | |
| Total | 1.258 | <NIL> | <NIL> | <NIL> | <NIL> |

**Continuity of losses**

| | Non-Capital Losses | Capital losses (gross amount) | Farm Losses | Restricted Farm Losses | Listed Property |
|---|---|---|---|---|---|
| Balance - beginning of year | 1.258 | | | | |
| Additions: Current year losses | | | | | |
| Losses from pred. companies | | | | | |
| Sub-Total | 1.258 | | | | |
| Less: Utilized during year - to reduce taxable income | 1.258 | | | | |
| - to reduce part IV tax | | | | | |
| Expired during the year | | | | | |
| Less: Carried back - to reduce taxable income | | | | | |
| - to reduce part IV tax | | | | | |
| Sub-Total | 1.258 | | | | |
| Balance - end of year | <NIL> | <NIL> | <NIL> | <NIL> | <NIL> |

**Losses carried forward to future years:**

| Year of Origin | Non-Capital Losses | Non-Capital Losses from Pred. Co's | Net-Capital Losses from Listed Property | Farm Losses | Restricted Farm Losses |
|---|---|---|---|---|---|
| 31/12/1993 | | | | | |
| 31/12/1994 | | | | | |
| 31/12/1995 | | | | | |
| 31/12/1996 | | | | | |
| 31/12/1997 | | | | | |
| 31/12/1998 | | | | | |
| 31/12/1999 | | | | | |
| 31/12/2000 | | | | | |
| 31/12/2001 | | | | | |
| 31/12/2002 | | | | | |
| Total | <NIL> | <NIL> | <NIL> | <NIL> | <NIL> |

Canada Customs and Revenue Agency

# CAPITAL COST ALLOWANCE (CCA)

**SCHEDULE 8 - Federal**

## (1998 and later taxation years)

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide.*

Is the corporation electing under regulation 1101(5g)? **101** 1 Yes ☐ 2 No ☒

| 1<br>Class no.<br>200 | Description | 2<br>Undepreciated capital cost at the beginning of the year (column 11 from last year's T2S(8))<br>201 | 3<br>Cost of acquisitions during the year (new property must be available for use)<br>See note 1 below<br>203 | 4<br>Adjustments (show negative amounts in brackets)<br>205 | 5<br>Proceeds of dispositions during the year (amount not to exceed the capital cost)<br>207 | 6<br>Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5) | 7<br>50% rule (deduct 1/2 the amount, if any, by which the net cost of acquisitions exceeds col. 5)<br>See note 2 below<br>211 | 8<br>Reduced undepreciated capital cost (column 6 minus column 7) | 9<br>CCA rate %<br>212 | 10<br>Capital cost allowance (column 8 mulitiplied by column 9; or a lower amount)<br>See note 3 below<br>217 | 11<br>Undepreciated capital cost at the end of the year (column 6 minus column 10)<br>220 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Buildings | 382,623 | 21,089 | | | 403,712 | 10,545 | 393,167 | 4.0 | 15,727 | 387,985 |
| 1 | | 5,667,358 | 897,576 | | | 6,564,934 | 448,788 | 6,116,146 | 4.0 | 244,646 | 6,320,288 |
| 8 | Equipment | 41,239 | 1,765 | | | 43,004 | 883 | 42,121 | 20.0 | 8,424 | 34,580 |
| 10 | Computer E | 37,926 | 6,570 | | | 44,496 | 3,285 | 41,211 | 30.0 | 12,363 | 32,133 |
| 12 | | 6,080 | | | | 6,080 | | 6,080 | 100. | 6,080 | <NIL> |
| 12 | | 22,907 | | | | 22,907 | | 22,907 | 100. | 22,907 | <NIL> |
| 8 | Equipment | 7,358 | 6,577 | | | 13,935 | 3,289 | 10,646 | 20.0 | 2,129 | 11,806 |
| 10 | | 391,819 | 10,789 | | | 402,608 | 5,395 | 397,213 | 30.0 | 119,164 | 283,444 |
| 12 | Small Tool | 369 | | | | 369 | | 369 | 100. | 369 | <NIL> |
| 8 | Equipment | 890,942 | | | | 890,942 | | 890,942 | 20.0 | 178,188 | 712,754 |
| 8 | | 22,010 | | | | 22,010 | | 22,010 | 20.0 | 4,402 | 17,608 |
| | Total | 7,470,631 | 944,366 | | | 8,414,997 | 472,185 | 7,942,812 | | 614,399 | 7,800,598 |

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).

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. See the T2 Guide for more information.

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

# CAPITAL COST ALLOWANCE (CCA) (1998 and later taxation years)

**SCHEDULE 8SUM - Federal**

| Name of Corporation | Business Number | Taxation Year End (Year Month Day) |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | 2002/12/31 |

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*

Is the corporation electing under regulation 1101(5g)? 1 Yes ☐ 2 No ☒

| 1 Class number **200** | 2 UCC start of year **201** | 3 Additions during the year **203** | 4 Net adjustments **205** | 5 Proceeds of dispositions **207** | 6 Adjusted UCC | 7 50% rule on net acquisitions **211** | 8 Reduced UCC |
|---|---|---|---|---|---|---|---|
| reg | 7,470,631 | 944,366 | | | 8,414,997 | 472,185 | 7,942,812 |
| 10.1 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |

| | 10 Recapture of CCA **213** | 11 Terminal Loss loss **215** | 12 CCA **217** | 13 UCC at end of year **220** |
|---|---|---|---|---|
| reg | | | 614,399 | 7,800,598 |
| 10.1 | | | | |
| 13 | | | | |
| 14 | | | | |
| **Total** | | | 614,399 | |

| 1 Class number **200** | 2 UCC start of year **201** | 3 Additions during the year **203** | 4 Net adjustments **205** | 5 Proceeds of dispositions **207** | 6 Adjusted UCC | 7 50% rule on net acquisitions **211** | 8 Reduced UCC |
|---|---|---|---|---|---|---|---|
| 24 | | | | | | | |
| 27 | | | | | | | |
| 29 | | | | | | | |
| 34 | | | | | | | |
| Rental | | | | | | | |

| | 10 Recapture of CCA **213** | 11 Terminal Loss loss **215** | 12 CCA **217** | 13 UCC at end of year **220** |
|---|---|---|---|---|
| 24 | | | | |
| 27 | | | | |
| 29 | | | | |
| 34 | | | | |
| Rental | | | | |
| **Total** | | | | |

**Totals:**

| | | |
|---|---|---|
| Recapture | | (Schedule 1 Line 107) |
| Terminal loss | | (Schedule 1 Line 404) |
| CCA Claimed | 614,399 | (Schedule 1 Line 403) |

Canada Customs and Revenue Agency

# RELATED AND ASSOCIATED CORPORATIONS
## (1998 and later taxation years)

**SCHEDULE 9**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

| Name<br>100 | Country of residence (other than Canada)<br>200 | Business number (Note 1)<br>300 | Relationship code (Note 2)<br>400 | No. of common shares owned<br>500 | % of common shares owned<br>550 | Number of pfd shares owned<br>600 | % of pfd shares owned<br>650 | Book value of capital stock<br>700 |
|---|---|---|---|---|---|---|---|---|
| Gravenhurst Energy S | | 864230792 | 3 | | | | | |
| Gravenhurst Power In | | 864230990 | 1 | | | | | |
| | | | | | | | | |
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| | | | | | | | | |

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.

Canada Customs and Revenue Agency

# CUMULATIVE ELIGIBLE CAPITAL DEDUCTION
## (2000 and later taxation years)

**SCHEDULE 10**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2002/12/31 |

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide.*
- A separate cumulative eligible capital account must be kept for each business.
- This form applies to taxation years that end after February 27, 2000.

## PART 1 - CALCULATION OF CURRENT YEAR DEDUCTION AND CARRY-FORWARD

Cumulative eligible capital - balance at end of preceding taxation year (if negative, enter "0") ... **200** 345,611 A

**Add:**

Cost of eligible capital property acquired during the taxation year ... **222** _____ B

Amount transferred on amalgamation or wind-up of subsidiary ... **224** _____ C

Other adjustments ... **226** _____ D

(Add amounts B, C, and D) _____ x 3/4 = _____ E

**Subtotal** (amount A plus amount E) **230** 345,611 F

**Deduct:**

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year ... **242** _____ G

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) ... **244** _____ H

Other adjustments ... **246** _____ I

(Add amounts G, H, and I) _____ x 3/4 = **248** _____ J

**Cumulative eligible capital balance** (amount F minus amount J) ... 345,611 K

(if amount K is negative, enter "0" at line M and proceed to Part 2)

**Current year deduction** ... amount K 345,611 x 7% = **250** 24,193 L

(deduct amount L at line 405 of Schedule 1)

**Cumulative eligible capital - closing balance** ... **300** 321,418 M

(amount K minus amount L) (if negative, enter "0")

**Note**

You can claim any amount up to the maximum deduction of 7%. For taxation years starting after December 21, 2000, the deduction may not exceed the maximun amount proprated by the number of days in the taxation year divided by 365.

## PART 2 - AMOUNT TO BE INCLUDED IN INCOME ARISING FROM DISPOSITION

(Complete this part only if the amount at line K is negative)

Amount from line K above (show as a positive amount) ... _____ N

Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 ... **400** _____ 1

Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7) ... **401** _____ 2

Total of cumulative eligible capital deductions claimed for taxation years commencing before July 1, 1988 ... **402** _____ 3

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 ... **408** _____ 4

Line 3 **minus** line 4 ... _____ _____ 5

Total of line 1, 2, and 5 ... _____ 6

Line T from Schedule 10 of previous taxation years ending after February 27, 2000 ... **409** _____ 7

Line 6 **minus** line 7 ... _____ _____ O

Line N **minus** line O (cannot be negative) ... _____ P

Amount on line 5 _____ x 1/2 ... _____ Q

Line P **minus** line Q ... _____ R

Amount on line R _____ x 2/3 * ... _____ S

Lesser of line N or line O ... _____ T

Amount to be included in income on line 108 of Schedule 1, line S **plus** line T ... **410** _____

* For taxation years ending after February 27, 2000 and before October 18, 2000, use the fraction 8/9 to calculate line S.
For taxation years ending before February 28, 2000, no reduction can be claimed, use the fraction 1/1 to calculate line S.

Canada Customs and Revenue Agency

**SCHEDULE 23**

# AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2002/12/31 |

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.

## Allocation of business limit

Date filed (for departmental use only) ..... 025 Year Month Day

Enter the calendar year to which the agreement applies ..... 050 Year 2002

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 Yes ☐ No ☒

| 1 Names of associated corporations 100 | 2 Business Number of associated corporations 200 | 3 Ass'n code 300 | 4 Allocation of business limit for the year 400 | 5 Taxation year end 500 | 6 Gross Part I.3 tax for preceding taxation year | 7 Taxable income of preceding taxation year | 8 Reduced business limit of preceding year |
|---|---|---|---|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 | 1 | 200,000 | | | -1,258 | |
| Gravenhurst Energy Service | 864230792 | 1 | | | | 9,822 | |
| Gravenhurst Power Inc. | 864230990 | 1 | | | | -12,542 | |
| | | | | | | | |
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| | | | | | | | |
| | | | | | | | |
| **Totals** | | | 200,000 | | | -3,978 | |
| If the taxation year of the corporation is less than 51 weeks enter the prorated business limit in this box | | | 200,000 | | | | |

Canada Customs and Revenue Agency

**SCHEDULE 36**

# AGREEMENT AMONG RELATED CORPORATIONS - PART 1.3 TAX
## (1998 and later taxation years)

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 among the members of the related group. **Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending 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.
- Attach additional schedules if space for agreement is not sufficient.

### Agreement

Date filed (for departmental use only) ..... 010 Year Month Day

Is this an amended agreement? ..... 020 1 Yes [X] 2 No [ ]

Enter the calendar year to which the agreement applies ..... 030 Year 2002

**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 which is exempt from Part 1.3 tax under subsection 181.1(3) is not required to be included.

| | Names of all corporations which are members of the related group<br>200 | Business Number (if a corporation is not registered, enter 'NR')<br>300 | Allocation of capital deduction for the year $<br>400 | Taxation year to which this agreement applies* (YYYY /MM /DD)<br>500 |
|---|---|---|---|---|
| 1. | Gravenhurst Hydro Electric Inc. | 891085615 | 9,658,965 | |
| 2. | Gravenhurst Power Inc. | 864230990 | | |
| 3. | Gravenhurst Energy Services Inc. | 864230792 | 341,035 | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. | | | | |
| 13. | | | | |
| | Total (not to exceed $10,000,000) | | 10,000,000 | |

* 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.

Canada Customs and Revenue Agency

# SHAREHOLDER INFORMATION
(1998 and later taxation years)

SCHEDULE 50

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2002/12/31 |

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<br>**100** | Business number<br>**200** | Social insurance number<br>**300** | Percentage common shares<br>**400** | Percentage preferred shares<br>**500** |
|---|---|---|---|---|
| Gravenhurst Power Inc. | 864230990 | | 100.0 | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1800256 | 31/12/2002 |

## CAPITAL TAX SUPPORTING SCHEDULE

**PARTNERSHIPS / JOINT VENTURES INFORMATION:**

Corporation's share of paid-up capital:

| | | | | |
|---|---|---|---|---|
| 1. | | | | |
| 2. | | | | |
| 3. | | | to (362) | |

Corporation's share of gross revenue:

| | | | | |
|---|---|---|---|---|
| Corporation's own gross revenue | | | | 2,573,177 |
| ADD: | | | | |
| 1. | | 0 | | |
| 2. | | 0 | | |
| 3. | | 0 | | |
| Total gross revenue of corporation & partnerships | | | to (480) | 2,573,177 |

**ELIGIBLE INVESTMENTS:**

Term deposits & trust company investment certificates:

| | | | | |
|---|---|---|---|---|
| 1. | | | | |
| 2. | | | | |
| 3. | | | to (400) | |

Bonds & securities - Gov't/Municipality/School District:

| | | | | |
|---|---|---|---|---|
| 1. | | | | |
| 2. | | | | |
| 3. | | | to (401) | |

Bonds & debentures of other corporations:

| | | | | |
|---|---|---|---|---|
| 1. | | | | |
| 2. | | | | |
| 3. | | | to (402) | |

Mortgages due from other corporations:

| | | | | |
|---|---|---|---|---|
| 1. | | | | |
| 2. | | | | |
| 3. | | | to (403) | |

Shares in other corporations:

| | | | | |
|---|---|---|---|---|
| 1. | | | | |
| 2. | | | | |
| 3. | | | to (404) | |

Loans & advances to corporations (except amounts due from related corporations with head office outside Canada outstanding less then 120 days) or to a Government:

| | | | | |
|---|---|---|---|---|
| 1. | | | | |
| 2. | | | | |
| 3. | | | to (405) | |

Eligible loans and advances to related corporations s.62(5.1)(5.2) certain restrictions apply (Refer to Guide)

| | | | | |
|---|---|---|---|---|
| 1. | Advances to Parent Company | 49,301 | | |
| 2. | | | | |
| 3. | | | to (406) | 49,301 |

Shares of partnership(s) or joint venture(s) eligible investments:

| | | | | |
|---|---|---|---|---|
| 1. | | | | |
| 2. | | | | |
| 3. | | | to (407) | |

**LOANS AND ADVANCES:**

| | | | | |
|---|---|---|---|---|
| From corporations or government | | | | |
| From shareholders or related persons | | 1,095,775 | | |
| From | Customer Deposits | 164,435 | | |
| From | | | to (353) | 1,260,210 |

Canada Customs and Revenue Agency

# T2 CORPORATION INCOME TAX RETURN
## (2001 and later taxation years)

200
Code 0101

This form serves as a federal and provincial or 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 *2001 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and *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 returns, see items 1 to 5 in the guide.

055 **Do not use this area**

CLIENT'S COPY

## Identification

**Business Number (BN)** (item 11) .... **001** 891085615 **R C** 0001

**002 Corporation's name** (Item 12)
Gravenhurst Hydro Electric Inc.

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** (item 13)

Has the address changed since the last time we were notified? ..... **010** 1 Yes ☐ 2 No ☒

**011** 195 Progress Drive
**012** P.O. Box 250

| City | Province, territory or state |
|---|---|
| **015** Gravenhurst | **016** ON |
| **Country (other than Canada)** | **Postal code / ZIP code** |
| **017** CA | **018** P1P1T6 |

**Mailing address** (If different from head office address) (item 14)

Has the address changed since the last time we were notified?
**020** 1 Yes ☐ 2 No ☒

**021 c/o** George McEachern
**022** 195 Progress Drive
**023** P.O. Box 250

| City | Province, territory or state |
|---|---|
| **025** Gravenhurst | **026** ON |
| **Country (other than Canada)** | **Postal code / ZIP code** |
| **027** CA | **028** P1P1T6 |

**Location of books and records** (item 15)
**031** 195 Progress Drive
**032** P.O. Box 250

| City | Province, territory or state |
|---|---|
| **035** Gravenhurst | **036** ON |
| **Country (other than Canada)** | **Postal code / ZIP code** |
| **037** CA | **038** P1P1T6 |

**040 Type of corporation at the end of the taxation year** (item 16)

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 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?** (item 17)

Taxation year start **060** 2002/01/01 YYYY MM DD
Taxation year-end **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 ☒

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?** (item 18) ..... **067** 1 Yes ☐ 2 No ☒

**Is this the first year of filing after:**
Incorporation? (item 19) ..... **070** 1 Yes ☐ 2 No ☒
Amalgamation? (item 20) ..... **071** 1 Yes ☐ 2 No ☒
If *yes*, please provide Schedule 24

**Has there been a wind-up of a subsidary under section 88 during the current taxation year?** (item 21)
If *yes*, please provide Schedule 24 **072** 1 Yes ☐ 2 No ☒

**Is this the final taxation year before amalgamation?** (item 22) ..... **076** 1 Yes ☐ 2 No ☒

**Is this the final return up to dissolution?** (item 23) ..... **078** 1 Yes ☐ 2 No ☒

**Is the corporation a resident of Canada?** (item 24)
**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?** (item 24)
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:** (item 25)
**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** | | |



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## 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 | No | Schedule |
|---|---|---|---|---|---|
| 27 | Is the corporation related to any other corporations? | 150 | | X | 9 |
| 28 | Does the corporation have any non-resident shareholders? | 151 | | X | 19 |
| 29 | Is the corporation an associated Canadian-controlled private corporation? | 160 | | X | 23 |
| 30 | Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit? | 161 | | X | 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 | | X | 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 | | X | 44 |
| 34 | Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? | 164 | | X | 14 |
| 35 | Is the corporation claiming a deduction for payments to a type of employee benefit plan? | 165 | | X | 15 |
| 37 | Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? | 166 | | X | T5004 |
| 38 | Is the corporation a member of a partnership for which a partnership identification number has been assigned? | 167 | | X | T5013 |
| 40 | Did the corporation, a foreign affiliate controlled by the corporation, or any other corp. or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust? | 168 | | X | 22 |
| 41 | Did the corporation have any foreign affiliates during the year? | 169 | | X | 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 | | X | 29 |
| 43 | Has the corporation had any non-arm's-length transactions with a non-resident? | 171 | | X | T106 |
| 47 | Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year? | 172 | | X | — |
| 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 |
| 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 or a province, or gifts of cultural or ecological property? | 202 | | X | 2 |
| 82,104 | Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? | 203 | | X | 3 |
| 69-76 | Is the corporation claiming any type of losses? | 204 | | X | 4 |
| 131 | Is the corporation claiming provincial tax credit or does it have a permanent establishment in more than one jurisdiction? | 205 | | X | 5 |
| 56 | Has the corporation realized any capital gains or incurred any capital losses during the taxation year? | 206 | | X | 6 |
| 102 | (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 | | X | 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 | | X | 10 |
| 59 | Does the corporation have any resource-related deductions? | 212 | | X | 12 |
| 60 | Is the corporation claiming reserves of any kind? | 213 | | X | 13 |
| 61 | Is the corporation claiming a patronage dividend deduction? | 216 | | X | 16 |
| 62 | Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an add. deduction? | 217 | | X | 17 |
| 149 | Is the corporation an investment corporation or a mutual fund corporation? | 218 | | X | 18 |
| 130 | Was the corporation carrying on business in Canada while not a Canadian corporation? | 220 | | X | 20* |
| 117 | Is the corporation claiming any federal or provincial foreign tax credits or any federal or provincial logging tax credits? | 221 | | X | 21 |
| 154 | Is the corporation a non-resident-owned investment corporation claiming an allowable refund? | 226 | | X | 26* |
| 110 | Does the corporation have any Canadian manufacturing and processing profits? | 227 | | X | 27 |
| 120 | Is the corporation claiming an investment tax credit? | 231 | | X | 31 |
| 63 | Is the corporation claiming any scientific research and experimental development expenditures? | 232 | | X | T661/T665 |
| 123 | Is the corporation subject to gross Part 1.3 tax? | 233 | | X | 33/34/35 |
| 123 | Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax? | 236 | | X | 36 |
| 123 | Is the corporation claiming a surtax credit? | 237 | | X | 37 |
| 127 | Is the corporation subject to gross Part VI tax on capital of financial institutions? | 238 | | X | 38 |
| 127 | Is the corporation claiming a Part I tax credit? | 242 | | X | 42 |
| 128 | Is the corp. subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid? | 243 | | X | 43 |
| 128 | Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? | 244 | | X | 45 |
| 124 | Is the corporation subject to Part II - Tobacco Manufacturers' surtax ? | 249 | | X | 46 |
| 127 | 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 | | X | 39 |
| 127 | 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 | | X | 40 |
| 127 | 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 | | X | 41 |
| 151 | Is the corporation claiming a Canadian film or video production tax credit refund? | 253 | | X | T1131 |



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## Attachments - continued from page 2

| Guide item | | Yes | No | Sched. |
|---|---|---|---|---|
| 129 | Is the corporation subject to Part XIII.1 tax? | | X | 92* |
| 152 | Is the corporation claiming a film or video production service tax credit refund? | | X | T1177 |
| 44 | Did the corporation have any foreign affiliates that are not controlled foreign affiliates? | | X | T1134-A |
| 44 | Did the corporation have any controlled foreign affiliates? | | X | T1134-B |
| 44 | Did the corporation own specified foreign property in the year with a cost amount of over $100,000? | | X | T1135 |
| 44 | Did the corporation transfer or loan property to a non-resident trust? | | X | T1141 |
| 44 | Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? | | X | T1142 |
| – | Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada ? | | X | T1145 |
| – | Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? | | X | T1146 |
| – | Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED ? | | X | T1174 |

## Additional information

Is the corporation inactive? (item 48) ... **280** 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter *yes* for first time filers) (item 49) ... **281** 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? (item 50) **282** Distribution of Electricity
(Only complete if *yes* was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51) ... **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 (item 52)

| | | | |
|---|---|---|---|
| **284** | Distribution of Electricity | **285** | 100. % |
| **286** | | **287** | % |
| **288** | | **289** | % |

Did the corporation immigrate to Canada during the taxation year? (item 53) ... **291** 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? (item 54) ... **292** 1 Yes ☐ 2 No ☒

## Taxable income

| | | | |
|---|---|---|---|
| Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI (item 77) | **300** | <NIL> | A |
| **Deduct:** Charitable donations from Schedule 2 (item 78) | **311** | | |
| Gifts to Canada or a province from Schedule 2 (item 79) | **312** | | |
| Cultural gifts from Schedule 2 (item 80) | **313** | | |
| Ecological gifts from Schedule 2 (item 81) | **314** | | |
| Taxable dividends deductible under section 112, 113, or subsection 138(6) from Schedule 3 (item 82) | **320** | | |
| Part VI.1 tax deduction from Schedule 43 (item 83) | **325** | | |
| Non-capital losses of preceding taxation years from Schedule 4 (item 84) | **331** | | |
| Net-capital losses of preceding taxation years from Schedule 4 (item 85) | **332** | | |
| Restricted farm losses of preceding taxation years from Schedule 4 (item 86) | **333** | | |
| Farm losses of preceding taxation years from Schedule 4 (item 87) | **334** | | |
| Limited partnership losses of preceding taxation years from Schedule 4 (item 88) | **335** | | |
| Taxable capital gains or taxable dividends allocated from a central credit union (item 89) | **340** | | |
| Prospector's and grubstaker's shares (item 90) | **350** | | |
| Subtotal | | | B |
| Subtotal (amount A minus amount B) | | | C |
| **Add:** Section 110.5 additions and/or subparagraph 115(1)(a)(vii) addition(item 91) | **355** | | D |
| **Taxable income** (amount C plus amount D) (item 92) | **360** | | |
| Income exempt under paragraph 149(1)(t) (item 93) | **370** | | |
| **Taxable income** for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94) | | | Z |



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## Small business deduction

**Canadian-controlled private corporations (CCPCs) throughout the taxation year**

Income from active business carried on in Canada from Schedule 7 (item 95) ..... **400** _____ 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** on page 7, and **minus** any amount that, because of federal law is exempt from Part I tax (item 96) ..... **405** _____ B

Business limit (for associated corporations, enter business limit from Schedule 23) (item 97) ..... **410** _____ C

**Reduction to business limit:** (item 98)

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% of the least of amounts A, B, C, and F ..... **430** <NIL> G

(enter amount G on line 9 on page 7.)

* 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) 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 for preceding year** - Enter the total gross Part 1.3 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 (item 99)

**Canadian controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425) _____ x 3/2 = _____ A

Net active business income (amount from line 400) * _____ B

Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of the maximum deductible 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

The least of amounts A, B, or E above _____ F

Amount Z from Part 9 of Schedule 27 _____ x 100/7 = _____ G

Amount QQ from Part 13 of Schedule 27 _____ H

Resource allowance (amount from line 346 of Schedule 1) _____ x 3 = _____ I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____ J

Least of amounts on lines 400, 405, 410, and 425 of the small business deduction _____ K

Total of amounts G, H, I, J, and K _____ ▶ _____ L

Amount F minus amount L (if negative, enter "0") _____ M

Amount M _____ x Number of days in the taxation year after December 31, 2000 / Number of days in the taxation year 365/365 = _____ N

**Accelerated tax reduction** - 7% of amount N _____ O

(enter amount O on line 637 on page 7)

* If the amount at line 450 of Schedule 7 is positive, specified 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.



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## General tax reduction for Canadian-controlled private corporations (item 100)

**Canadian-controlled private corporations throughout the taxation year**

Taxable Income from line 360 or amount Z of page 3 ..... A

Amount Z from Part 9 of Schedule 27 ..... x 100/7 = B

Amount QQ from Part 13 of Schedule 27 ..... C

Resource allowance (amount from line 346 of Schedule 1) x 3 = D

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) ..... E

Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4 ..... F

Aggregate investment income from line 440 on page 6 ..... G

Amount used to calculate the accelerated tax reduction (amount M on 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 in 2001 / Number of days in the taxation year) X 1% = K

Amount J x (Number of days in the taxation year in 2002 / Number of days in the taxation year) 365 / 365 X 3% = L

Amount J x (Number of days in the taxation year in 2003 / Number of days in the taxation year) 365 X 5% = M

Amount J x (Number of days in the taxation year after 2003 / Number of days in the taxation year) 365 X 7% = N

**General tax reduction for Canadian-controlled private corporations** - Total of amounts K, L, M and N ..... O
(enter amount O on line 638 of page 7)

## General tax reduction (item 101)

**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 ..... A

Amount Z from Part 9 of Schedule 27 ..... x 100/7 = B

Amount QQ from Part 13 of Schedule 27 ..... C

Resource allowance (amount from line 346 of Schedule 1) x 3 = D

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) ..... E

Total of amounts B, C, D, and E ..... ▶ F

Amount A minus amount F (if negative, enter "0") G

Amount G x (Number of days in the taxation year in 2001 / Number of days in the taxation year) X 1% = H

Amount G x (Number of days in the taxation year in 2002 / Number of days in the taxation year) 365 / 365 X 3% = I

Amount G x (Number of days in the taxation year in 2003 / Number of days in the taxation year) 365 X 5% = J

Amount G x (Number of days in the taxation year after 2003 / Number of days in the taxation year) 365 X 7% = K

**General tax reduction** - Total of amounts H, I, J and K ..... L
(enter amount L on line 639 of page 7)



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## Refundable portion of Part I tax (item 102)

**Canadian-controlled private corporations throughout the taxation year**

Aggregate investment income ..... **440** _____ X 26 2/3 % = ..... _____ A
(Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 ..... _____

**Deduct:**

Foreign investment income ..... **445** _____ X 9 1/3 % = ..... _____
(Amount O from Part 1 of Schedule 7) (if negative, enter "0") _____ ▶ _____ B

Amount A minus amount B (if negative, enter "0") ..... _____ C

Taxable income from line 360 on page 3 ..... _____

**Deduct:**

Least of amounts on lines 400, 405, 410, and 425 on page 4 ... _____

Foreign non-business income tax credit from line 632 on page 7 _____ X 25/9 _____

Foreign business income tax credit from line 636 on page 7 _____ X 10/4 _____

_____ ▶ _____

_____ 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** - The least of amounts C, D, and E ..... **450** <NIL> F

## Refundable dividend tax on hand (item 103)

Refundable dividend tax on hand at the end of the preceding taxation year ..... **460** _____

**Deduct** dividend refund for the previous taxation year ..... **465** _____

_____ ▶ _____ A

**Add** the total of:

Refundable portion of Part I tax from line 450 above ..... _____

Total Part IV tax payable from line 360 on page 2 of Schedule 3 ..... _____

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation ..... **480** _____

_____ ▶ _____ B

**Refundable dividend tax on hand at the end of the taxation year** - Amount A plus amount B ..... **485** <NIL>

## Dividend refund (item 104)

**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 ..... _____ X 1/3 _____ A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... _____ B

**Dividend refund** - Lesser of amounts of A and B (enter this amount on line 784 of page 8) ..... _____



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## Part I tax

**Base amount of Part I tax** -38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 105) ..... **550** _____ A

**Corporate surtax calculation** (item 106)

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 the least of a, b, and c below on line 6:

| | | |
|---|---|---|
| 28% of taxable income from line 360 on page 3 | a | 6 |
| 28% of taxed capital gains | b | |
| Part I tax otherwise payable (line A **plus** lines C and D **minus** line F) | c | |

Total of lines 2 to 6 ..... 7

Net amount (line 1 minus line 7) ..... 8

**Corporate surtax** - 4% of the amount on line 8 ..... **600** <NIL> B

Recapture of Investment tax credit from line XX in Part 16 on page 8 of Schedule 31 (item 107) ..... **602** _____ C

**Calculation for the refundable tax on Canadian-controlled private corporation's investment income** (for a CCPC throughout the taxation year) (item 108)

Aggregate investment income from line 440 on page 6 ..... i

Taxable income from line 360 on page 3 .....

**Deduct:**

The least of amounts on lines 400, 405, 410, and 425 of page 4 .....

Net amount ..... ii

**Refundable tax on CCPC's Investment income** - 6 2/3 % of the lesser of amounts 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 (item 109) ..... **608**

Manufacturing and processing profits deduction from amount BB or amount VV of Schedule 27 (item 110) ..... **616**

Investment corporation deduction (item 111) ..... **620**

(taxed capital gains ..... **624** _____ )

Additional deduction - credit unions from Schedule 17 (item 112) ..... **628**

Federal foreign non-business income tax credit from Schedule 21 (item 113) ..... **632**

Federal foreign business income tax credit from Schedule 21 (item 114) ..... **636**

Accelerated tax reduction from amount O of page 4 (item 115) ..... **637**

General tax reduction for CCPCs from amount M of page 5 (item 116) ..... **638**

General tax reduction from amount J of page 5 (item 116) ..... **639**

Federal logging tax credit from Schedule 21 (item 117) ..... **640**

Federal political contribution tax credit (item 118) ..... **644**

Federal political contributions ..... **646** _____

Federal qualifying environmental trust tax credit (item 119) ..... **648**

Investment tax credit from Schedule 31 (item 120) ..... **652**

Subtotal _____ ▶ _____ F

**Part I tax payable** - Line E minus line F (enter amount G on line 700 of page 8) (Item 121) ..... <NIL> G

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## Summary of tax and credits

**Federal tax**

| | | |
|---|---|---|
| Part I tax payable from page 7 (item 122) | 700 | |
| Part I.3 tax payable from Schedule 33, 34 or 35 (item 123) | 704 | |
| Part II surtax payable from Schedule 46 (item 124) | 708 | |
| Part IV tax payable from Schedule 3 (item 125) | 712 | |
| Part IV.1 tax payable from Schedule 43 (item 126) | 716 | |
| Part VI tax payable from Schedule 38 (item 127) | 720 | |
| Part VI.1 tax payable from Schedule 43 (item 128) | 724 | |
| Part XIII.1 tax payable from Schedule 92 (item 129) | 727 | |
| Part XIV tax payable from Schedule 20 (item 130) | 728 | |
| Total federal tax | | <NIL> |

**Add provincial and territorial tax:**

Provincial or territorial jurisdiction (item 131) ..... 750 Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

| | | |
|---|---|---|
| Net provincial and territorial tax payable (except Que., Ont. and Alberta) (item 132) | 760 | |
| Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 146) | 765 | |
| Total tax payable | 770 | <NIL> A |

**Deduct other credits:**

| | | |
|---|---|---|
| Investment tax credit refund from Schedule 31 (item 147) | 780 | |
| Dividend refund from page 6 (item 148) | 784 | |
| Federal capital gains refund from Schedule 18 (item 149) | 788 | |
| Federal qualifying environmental trust tax credit refund (item 150) | 792 | |
| Canadian film or video production tax credit refund from Form T1131 (item 151) | 796 | |
| Film or video production services tax credit refund from Form T1177 (item 152) | 797 | |
| Tax withheld at source (item 153) | 800 | |
| Total payments on which tax has been withheld (item 153) | 801 | |
| Allowable refund for non-resident-owned investment corporations from Schedule 26 (item 154) | 804 | |
| Provincial and territorial capital gains refund from Schedule 18 (item 155) | 808 | |
| Provincial and territorial refundable tax credits from Schedule 5 (item 156) | 812 | |
| Royalties deduc. under Syncrude Remis. Order (item 157) | 815 | |
| Tax remitted under Syncrude Remission Order (item 157) | 816 | |
| Tax instalments paid (item 158) | 840 | |
| Total credits | 890 | <NIL> |
| Balance (line A minus line B) | | <NIL> B |

Refund code (item 159) 894 ☐

Overpayment (item 162) _____

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 (item 162) _____

Enclosed payment (item 161) 898 _____

### Direct Deposit Request (item 163)

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? (item 160).... 896 1 Yes ☐ 2 No ☒

### Certification (item 164)

I, 950 McEachern (Last name in block letters) 951 George (First name in block letters) 954 President (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 04/04/2003 (Date (dd/mm/yyyy)) _____ (Signature of an authorized signing officer of the corporation) 956 705-687-2321 (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 (item 165)

990 Please indicate the language of your choice.
Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Francais/French ☐

**No longer required by the CCRA. Submit the RSI forms only**

Canada Customs and Revenue Agency

# NET INCOME (LOSS) FOR INCOME TAX PURPOSES
## (2000 and later taxation years)

**SCHEDULE 1**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2002/12/31 |

Net income (loss) after taxes and extraordinary items per financial statements ..... <NIL> A

**Add:**

| | | | |
|---|---|---|---|
| Provision for income taxes - current | 101 | | |
| Provision for income taxes - deferred | 102 | | |
| Interest and penalties on taxes | 103 | | |
| Amortization of tangible assets | 104 | | |
| Amortization of natural resource assets | 105 | | |
| Amortization of intangible assets | 106 | | |
| Recapture of capital cost allowance from Schedule 8 | 107 | | |
| Gain on sale of eligible capital property from Schedule 10 | 108 | | |
| Income or loss for tax purposes - joint ventures or partnerships | 109 | | |
| Loss in equity of subsidiaries and affiliates | 110 | | |
| Loss on disposal of assets | 111 | | |
| Charitable donations from Schedule 2 | 112 | | |
| Taxable capital gains from Schedule 6 | 113 | | |
| Political donations | 114 | | |
| Holdbacks | 115 | | |
| Deferred and prepaid expenses | 116 | | |
| Depreciation in inventory - end of year | 117 | | |
| Scientific research expenditures deducted per financial statements | 118 | | |
| Capitalized interest | 119 | | |
| Non-deductible club dues and fees | 120 | | |
| Non-deductible meals and entertainment expenses | 121 | | |
| Non-deductible automobile expenses | 122 | | |
| Non-deductible life insurance premiums | 123 | | |
| Non-deductible company pension plans | 124 | | |
| Tax reserves deducted in prior year from Schedule 13 | 125 | | |
| Reserves from financial statements - balance at the end of the year | 126 | | |
| Soft costs on construction and renovation of buildings | 127 | | |
| Total of fields 201 to 294 on page 2 | 199 | | |
| Total of fields 101 to 199 | 500 | | <NIL> |

**Deduct:**

| | | | |
|---|---|---|---|
| Gain on disposal of assets per financial statements | 401 | | |
| Dividends not taxable under section 83 from Schedule 3 | 402 | | |
| Capital cost allowance from Schedule 8 | 403 | | |
| Terminal loss from Schedule 8 | 404 | | |
| Cumulative eligible capital deduction from Schedule 10 | 405 | | |
| Allowable business investment loss - Schedule 6 | 406 | | |
| Foreign non-business tax deduction under subsection 20(12) | 407 | | |
| Holdbacks | 408 | | |
| Deferred and prepaid expenses | 409 | | |
| Depreciation in inventory - end of prior year | 410 | | |
| Scientific research expenses claimed in year from Form T661 | 411 | | |
| Tax reserves claimed in current year from Schedule 13 | 413 | | |
| Reserves from financial statements - balance at the beginning of the year | 414 | | |
| Patronage dividends from Schedule 16 | 416 | | |
| Contributions to deferred income plans from Schedule 15 | 417 | | |
| Total of fields 300 to 394 on page 3 | 499 | | |
| Total of fields 401 to 499 | 510 | <NIL> | <NIL> |

**Net income (loss) for income tax purposes** - enter at line 300 on page 3 of the T2 return ..... <NIL>

Canada Customs and Revenue Agency

# SHAREHOLDER INFORMATION
## (1998 and later taxation years)

**SCHEDULE 50**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2002/12/31 |

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<br>100 | Business number<br>200 | Social insurance number<br>300 | Percentage common shares<br>400 | Percentage preferred shares<br>500 |
|---|---|---|---|---|
| Gravenhurst Power Inc. | 864230990 | | 100.0 | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
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| | | | | |

Canada Customs and Revenue Agency

# BUSINESS CONSENT FORM

RC59(E)
Rev. 95

This form authorizes Revenue Canada to release confidential taxpayer 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** a third party representative **or** ☐ **to cancel** a third party representative

## 1. Client identification

Name:
Gravenhurst Hydro Electric Inc.
195 Progress Drive
P.O. Box 250
Gravenhurst ON P1P1T6

Indicate one of the following:

**Business Number (BN) for:**

All accounts ..... 891085615
**or** Specific program account type .....
**or** Specific account .....

**Other clients:**

Employer remittance account number .....
**or** Corporation account number .....
**or** Trust account number ..... T
**or** Filer identification number ..... HA

## 2. Authorized third party identification

Authorized individual's name

Authorized firm's name
Cull, Gordon & Gingrich Chartered Accountants 152-3 Manitoba Street, BRACEBRIDGE, On P1L 1Z9

## 3. Details of authorization

Indicate period for which this authorization or cancellation applies:

All years ☒

or

Specific year(s)

YYYY MM DD

YYYY MM DD

YYYY MM DD

YYYY MM DD

or

All years prior to

YYYY MM DD

## 4. Authorized signature (client or authorized signing officer)

Signature of client or authorized officer

President
Title

705-687-2321
Telephone number

Date signed 04/04/2003
DD MM YYYY

We will not accept this form unless it is signed

Ontario

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

2001/2002

# CT23 Corporations Tax and Annual Return Update

*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)*
*(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 purpose, 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 - 18, together with the applicable schedules on pages 19-22. **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 the MCBS Schedules A or K on pages 23 and 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? *(Refer to Guide)* [X] Yes [ ] No

**Page 1 of 24**

Ministry Use

Corporation's Legal Name (including punctuation) and Mailing Address

Gravenhurst Hydro Electric Inc.
P.O. Box 250

Gravenhurst ON
P1P1T6

Ontario Corporations Tax Account No. (MOF): 1800256

This CT23 return covers the Taxation Year

Start: year month day 2002/01/01

End: year month day 2002/12/31

Has address changed since last filed CT23 return? Yes [ ] Date of Change _____

Date of Incorporation or Amalgamation: year month day 2000/10/25

Registered/Head Office Address

195 Progress Drive
P.O. Box 250
Gravenhurst ON
P1P1T6

Ontario Corporation No. (MCBS): 1446745

Location of Books and Records

195 Progress Drive
P.O. Box 250
Gravenhurst ON
P1P1T6

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.

If applicable, enter: 891085615 **RC** 0001

| Person to contact regarding this CT23 Return | Telephone No. | Fax No. |
|---|---|---|
| George McEachern | 705-687-2321 | 705-687-6721 |

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario (*Extra-Provincial Corporations only*) (MCBS)

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:

Commenced: year month day

Ceased: year month day

Former Corporation Name (*Extra-Provincial Corporations only*) ***Not Applicable*** [X] (MCBS)

**(Not Applicable)** ▶ [X]

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 Schedules: [ ]

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check this box. Schedule(s) A and K are not required (MCBS).

▶ [X] **No Change**

Language of Choice / *Langue de preference:*

English anglais [X] French francais [ ]

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*)

George McEachern

**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.**

# 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 [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:
Hydro Electric services

2
1 [ ] Family Farm Corporation s.1(2)
2 [ ] Family Fishing Corporation s.1(2)
3 [ ] Mortgage Investment Corp. 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 institutions 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 check (x) box(es) if applicable:**

[ ] First Year of Filing
[ ] Amended Return
[X] 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)(Int. B. 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

*DOLLARS ONLY*

| | | | | |
|---|---|---|---|---|
| Net income (loss) for Ontario purposes (per reconciliation schedule, page 16) | ± | From 690 | 250,591 |
| Subtract: Charitable donations | − | 1 | |
| Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule)* | − | 2 | |
| Subtract: Taxable dividends deductible, per federal T2 SCH 3 | − | 3 | |
| Subtract: Ontario political contributions *(Attach schedule)* | − | 4 | |
| Subtract: Federal Part VI.1 tax _____ X 9/4 | − | 5 | |
| Subtract: Prior years' losses applied - | | | |
| Non-capital losses | − | From 704 | 1,258 |
| Net capital losses From 715 (page 17) _____ X inclusion rate _____ % | − | 714 | |
| Farm losses | − | From 724 | |
| Restricted farm losses | − | From 734 | |
| Limited partnership losses | − | From 754 | |
| **Taxable income (Non-capital loss)** | = | 10 | 249,333 |
| 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 | 249,333 |

**Taxable Income**

From 10 (or 20 if applicable) | Ontario Allocation | Number of Days in Taxation Year | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 249,333 X 30 | 100.0000 % | X 14.5% X | Days after May 1, 2000 and before Jan 1, 2001: 24 | ÷ | Total Days: 73 365 | = + | 25 | |
| 249,333 X 30 | 100.0000 % | X 14.0% X | Days after Dec 31, 2000 and before Oct 1, 2001: 26 | ÷ | Total Days: 73 365 | = + | 27 | |
| 249,333 X 30 | 100.0000 % | X 12.5% X | Days after Sept 30, 2001 and before Jan 1, 2003: 28 365 | ÷ | Total Days: 73 365 | = + | 29 | 31,167 |
| 249,333 X 30 | 100.0000 % | X 11.0% X | Days after Dec 31, 2002 and before Jan 1, 2004: 31 | ÷ | Total Days: 73 365 | = + | 32 | |

**Income Tax Payable** (before deduction of tax credits) 25 + 27 + 29 + 32 = 40 31,167

## Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

*****( If this section is not completed, 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) [X] Yes [ ] No

| | | | |
|---|---|---|---|
| Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) | | 50 | 250,591 |
| Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) | + 51 | 249,333 | |
| Add: Losses of other years deducted for federal purposes (fed.s.111) | + 52 | 1,258 | |
| Subtract: Losses of other years deducted for Ontario purposes (s.34) | − 53 | 1,258 | |
| | = | 249,333 ▶ 54 | 249,333 |
| 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 | 200,000 | |

Add: Ontario enhancement of federal business limit

**Number of days in Taxation Year**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 40,000 X | Days from 26 above ÷ 73 | Total days 365 | X From 55 200,000 | ÷ 200,000 | = + | 42 | |
| 80,000 X | Days from 28 above 365 ÷ 73 | Total days 365 | X From 55 200,000 | ÷ 200,000 | = + | 43 | 80,000 |
| 120,000 X | Days from 31 above ÷ 73 | Total days 365 | X From 55 200,000 | ÷ 200,000 | = + | 46 | |

Ontario enhancement of federal business limit 42 + 43 + 46 = 44 80,000

**Business Limit for Ontario purposes** 55 + 44 = 280,000 ▶ + 45 280,000

**Income eligible for the IDSBC** From 30 100.0000 % X 56 249,333 = 60 249,333

* Ontario Allocation — 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)).*

## Income Tax *continued from Page 4*

**Calculation of IDSBC Rate**

**Number of Days in Taxation Year**

7.5% X (Days after Dec 31, 1999 and before Oct 1, 2001 [76] ÷ Total days [73] 365) = + [77]

6.5% X (Days after Sept 30, 2001 and before Jan 1, 2003 [28] 365 ÷ Total days [73] 365) = + [79] 6.5000

5.5% X (Days after Dec 31, 2002 and before Jan 1, 2004 [31] ÷ Total days [73] 365) = + [89]

IDSBC Rate for Taxation Year [77] + [79] + [89] = [78] 6.5000

Claim From [60] 249,333 • X From [78] 6.5000 % = [70] 16,207 •

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] 249,333 •

***If you are a member of an associated group*** (X) [81] X (Yes)

| Name of associated corporation (Canadian & foreign) | Ontario Corporations Tax Account No.(MOF) | Taxation Year End | **Taxable Income |
|---|---|---|---|
| | | | + [82] |
| | | | + [83] |
| | | | + [84] |

Aggregate of Taxable Income [80] + [82] + [83] + [84], etc = [85] 249,333 •

**Number of Days in Taxation Year**

Subtract: 200,000 X (Days before Jan 1, 2001 [558] ÷ Total days [73] 365) = + [111]

240,000 X (Days after Dec 31, 2000 and before Oct 1, 2001 [26] ÷ Total days [73] 365) = + [112]

280,000 X (Days after Sept 30, 2001 and before Jan 1, 2003 [28] 365 ÷ Total days [73] 365) = + [113] 280,000 •

320,000 X (Days after Dec 31, 2002 and before Jan 1, 2004 [31] ÷ Total days [73] 365) = + [115]

[111] + [112] + [113] + [115] = 280,000 • ▶ − [114] 280,000 •

(If negative, enter nil) = [86]

**Calculation of Specified Rate for Surtax**

**Number of Days in Taxation Year**

5.0% X (Days after Dec 31, 1999 and before Oct 1, 2001 [76] ÷ Total days [73] 365) = + [93]

4.333% X (Days after Sept 30, 2001 and before Jan 1, 2003 [28] 365 ÷ Total days [73] 365) = + [95] 4.3330

3.667% X (Days after Dec 31, 2002 and before Jan 1, 2004 [31] ÷ Total days [73] 365) = + [96]

Specified rate of surtax for Taxation Year [93] + [95] + [96] = [94] 4.3330

From [86] • X From [94] 4.3330 % = [87]

From [87] • X From [60] 249,333 • ÷ From [114] 280,000 • = [88]

**Surtax** Lesser of [70] or [88] = [100]

*continued on Page 6*

## Income Tax *continued from Page 5*

*DOLLARS ONLY*

**Additional Deduction for Credit Unions (s.51(4))** *(Attach schedule)* - - - - - - - - - - [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 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]

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - - − From [56] 249,333

Add: Adjustment for Surtax on Canadian-controlled private corporations

From [100] ÷ From [30] 100.0000 % ÷ From [78] 6.5000 % = [121]

*Ontario Allocation

Lesser of [56] or [121] - - - - - - - - - - - - - - - - - - - - - - - - + [122]

[120] − [56] + [122] - - - - - - - - - - - - - - - - - - - - - - - - = [130]

**Taxable Income** - - - - - - - - - - - - - - - - - - - - - - - - + From [10] 249,333

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - − From [56] 249,333

Add: Adjustment 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]

**Number of Days in Taxation Year**

| | | | | | |
|---|---|---|---|---|---|
| Claim [143] Lesser of [130] or [142] ____ X | From [30] 100.0000 % X 2.0% X *Ontario Allocation | Days before Oct 1, 2001 [152] | ÷ [73] Total days 365 | = + | [153] |
| Claim [143] Lesser of [130] or [142] ____ X | From [30] 100.0000 % X 1.5% X *Ontario Allocation | Days after Sept 30, 2001 and before Jan 1, 2003 [28] 365 | ÷ [73] Total days 365 | = + | [154] |
| Claim [143] Lesser of [130] or [142] ____ X | From [30] 100.0000 % X 1.0% X *Ontario Allocation | Days after Dec 31, 2002 and before Jan 1, 2004 [31] | ÷ [73] Total days 365 | = + | [155] |

M&P claim for taxation year [153] + [154] + [155] - - - - - - - - - - - - - - - - - - - - = [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]

*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 (Inf.B.15-79 & 2739)*(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]

**Sub-total of Income Tax** [40] − [70] + [100] − [110] − [160] − [161] − [162] − [170] − [180] - - - - = [190] 14,960

*continued on page 7*

*DOLLARS ONLY*

## 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 _____

**Co-operative Education Tax Credit (CETC) (s.43.4)** ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F - - - - - - - - - - - - - - - - - - - - - - - - + 192 _____

**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 _____

**Graduate Transitions Tax Credit (GTTC)(s.43.6)** No. of Graduates From 6596
***Applies*** to employment of eligible unemployed graduate students. 194 _____
Eligible Credit From 6598 Summary Schedule G - - - - - - - - - - - - - - - - - - - - - - - - + 195 _____

**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 _____

**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 _____

**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 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 _____

**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 Ontarion Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* - - - - - - - - - - - + 200 _____

**Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)**
***Applies*** to qualifying expenditures in respect to eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* - + 201 _____

---

**Total Specified Tax Credits** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 = 220 _____

**Specified Tax Credits** ***Applied to reduce Income Tax*** - - - - - - - - - - - - - - - - - - = 225 _____

---

**Income Tax** 190 - 225 **OR Enter NIL if reporting Non-Capital loss** - - - - - - - - - - - - - = 230 14,960

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)

*DOLLARS ONLY*

## 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] | 9,698,274 | |
| * Total Revenue of the corporation | | + [241] | 2,573,177 |

***If you are a member of an associated group*** (x) [242] [X] (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 |
|---|---|---|---|---|
| See attached schedule | | | + [243] 2,898,101 | + [244] 107,290 |
| | | | + [245] | + [246] |
| | | | + [247] | + [248] |
| Aggregate Total Assets [240] + [243] + [245] + [247], etc | | | = [249] 12,596,375 | |
| Aggregate Total Revenue [241] + [244] + [246] + [248], etc | | | | = [250] 2,680,467 |

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] 284,497 (if negative, enter zero) | X From [30] 100.0000 (Ontario Allocation) | % X 4% = | [276] | 11,380 |
| Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)* | | | − [277] | |
| Subtract: Income Tax | | | − From [190] | 14,960 |
| **Net CMT Payable** (if negative, enter Nil on Page 18.) | | | = [280] | -3,580 |

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]

### Application of CMT Credit Carryovers

| | | | | | |
|---|---|---|---|---|---|
| **A.** | Income Tax (before deduction of specified credits) | | + From [190] | 14,960 |
| | Gross CMT Payable + From [276] | 11,380 | | |
| | Subtract: Foreign Tax Credit for CMT purposes − From [277] | | | |
| | If [276] - [277] is negative, enter NIL in [290] = | 11,380 ▶ | − [290] | 11,380 |
| | **Income Tax eligible for CMT Credit** | | = [300] | 3,580 |
| **B.** | Income Tax (after deduction of specified credits) | | + From [230] | 14,960 |
| | Subtract: CMT credit used to reduce income taxes | | − [310] | |
| | **Income Tax** | | = [320] | 14,960 |

*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)*

*DOLLARS ONLY*

***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 | 2,085,925 |
| Retained earnings (if deficit, deduct) | ± | 351 | 255,668 |
| Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83) | + | 352 | |
| Loans and advances *(Attach schedule)* | + | 353 | 1,260,210 |
| Bank loans | + | 354 | |
| Bankers acceptances | + | 355 | |
| Bonds and debentures payable | + | 356 | 4,830,000 |
| Mortgages payable | + | 357 | |
| Lien notes payable | + | 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) | + | 359 | |
| Contingent, investment, inventory and similar reserves | + | 360 | |
| Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* | + | 361 | |
| Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* | + | 362 | |
| **Subtotal** | = | 370 | 8,431,803 |
| Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* | − | 371 | 34,338 |
| Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes | − | 372 | |
| **Total Paid-up Capital** | = | 380 | 8,397,465 |
| Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) | − | 381 | |
| **Net Paid-up Capital** | = | 390 | 8,397,465 |

### 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 | |
| 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 | 49,301 |
| Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)* | + | 407 | |
| **Total Eligible Investments** | = | 410 | 49,301 |

*continued on Page 10*

*DOLLARS ONLY*

## Total Assets

| | | | |
|---|---|---|---|
| Total Assets per balance sheet | + | 420 | 9,698,274 |
| 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 | 9,698,274 |
| Amounts in 360 and 361 (if deducted from assets) | + | 440 | |
| Subtract: Amounts in 371, 372 and 381 | − | 441 | 34,338 |
| Subtract: Appraisal surplus if booked | − | 442 | |
| Add or Subtract: Other adjustments (specify on an attached schedule) | ± | 443 | |
| **Total Assets** | = | 450 | 9,663,936 |

**Investment Allowance** ( 410 ÷ 450 ) X 390 Not to exceed 410 = 460 42,840

**Taxable Capital** 390 - 460 = 470 8,354,625

**Gross Revenue** (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 2,573,177

**Total Assets** (as adjusted) From 430 9,698,274

# 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 the taxation year commences after September 30, 2001 and 430 and 480 are both $3,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

**B4.** If taxable capital, 470 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*

**B5.** If taxable capital, 470 on page 10, exceeds $2,000,000 but is $5,000,000 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 December 31, 1999 and before January 1, 2001**

\+ (a) From 470 8,354,625 X 0.3% =+ 490 _____

**Deduct:**

From 470
$2,800,000 - 8,354,625 X 0.75% =- 493 _____

*If 2,800,000 - 470 is negative, enter NIL in* 493

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553

( 506 = 490 - 493 ) = 506 _____ X From 30 100.0000 % X _____ =+ 507 _____

Ontario Allocation **365 (366 if leap year)

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001**

\+ (b) From 470 8,354,625 X 0.3% =+ 490 _____

**Deduct:**

From 470
$3,200,000 - 8,354,625 X 0.5% =- 495 5,592

*If 3,200,000 - 470 is negative, enter NIL in* 495

Days in taxation year after Dec. 31, 2000 and before Oct. 1, 2001 558

( 509 = 490 - 495 ) = 509 652 X From 30 100.0000 % X _____ =+ 522 _____

Ontario Allocation **365 (366 if leap year)

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001**

\+ (c) Capital Tax for that portion of a taxation year after September 30, 2001 for a corporation whose taxable capital is $5,000,000 or less and that is not associated, is NIL - - - - - - - - - - + **NIL**

= **Total Capital Tax for the taxation year** 507 + 522 - - - - - - - - - - - - - - - - - - - - =+ 508 _____

*Transfer to* 543 *on page 13 and complete the return from that point*

**B6.** If taxable capital, 470 on page 10, exceeds **$5,000,000,** complete the following calculation and transfer the amount 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 before October 1, 2001**

\+ (a) From 470 8,354,625 X From 30 100.0000 % X 0.3% X Days in taxation year before October 1, 2001 559 _____ -- =+ 502 _____

Ontario Allocation **365 (366 if leap year)

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001**

\+ (b)+ From 470 8,354,625

5,000,000

= 471 _____ X From 30 100.0000 % X 0.3% X Days in taxation year after September 30, 2001 560 _____ -- =+ 523 _____

Ontario Allocation **365 (366 if leap year)

= **Total Capital tax for the taxation year** 502 + 523 - - - - - - - - - - - - - - - - - - - - = 508 _____

*Transfer to* 543 *on page 13 and complete the return from that point*

***** If floating taxation year, refer to Guide.***

*continued on Page 12*

## SECTION C

***If the corporation is a member of an associated group and/or partnership, complete the following two aggregate taxable capital calculations as applicable, and Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.*** 510 X (Yes)

Taxable Capital - - - - - - - - - - - - - - - - - - - - - - - - - - - - - + From 470 8,354,625

**Calculation 1**
***Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada***

| Names of associated corporations 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 |
|---|---|---|---|---|
| See schedule CT21 | | | + 531 | 371,208 |
| | | | + 532 | |
| | | | + 533 | |

+ Aggregate Taxable Capital 470 + 531 + 532 + 533, etc - - - - - - - - - - - - - - - - - = 540 8,725,833

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001, is NIL. Enter NIL in 523 in E1(c) or E2(b) on page 13.
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 portion of the taxation year after September 30, 2001.

From 470 8,354,625 ÷ From 540 8,725,833 X 5,000,000 - - - - - - - - - = 541 4,787,294

*Transfer to Section E2(b) on page 13*

**Calculation 2**
***Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada***

| Names of Canadian & Foreign associated corporations or related partners with no permanent establishment in Canada *(if insufficient space, attach schedule)* | Ontario Corporations Tax Account No. (MOF) (If applicable) | Taxation Year End | | Taxable Capital |
|---|---|---|---|---|
| | | | + 511 | |
| | | | + 512 | |
| | | | + 513 | |

\+ 511 + 512 + 513, etc - - - - - - - - - - - - - - - - - - - - - = 514

= Aggregate Taxable Capital 540 + 514 - - - - - - - - - - - - - - - - - - - - - - - - - = 520 8,725,833

**If 520 is greater than $2,000,000**

If 520 is greater than $2,000,000 and less than $3,200,000 and a portion of the taxation year is before October 1,2001, the corporation must compute the following ratio.

From 470 8,354,625 ÷ From 520 8,725,833 = 521

*Transfer to Section E1(a) and/or (b) as applicable, on page 13*

***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 total aggregate taxable capital 520 exceeds **$2,000,000** but is **$3,200,000 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 December 31, 1999 and before January 1, 2001**

\+ (a) From 470 8,354,625 X 0.3% - - - - - - - - - - - - - =+ 490

**Deduct:**

[ $2,800,000 - From 520 8,725,833 ] X 0.75% X From 521 = - 493 *If 2,800,000 - 520 is negative, enter NIL in 493*

553 Days in tax year after Dec 31, 1999 and before Jan 1, 2001

( 506 = 490 - 493 ) = 506 X From 30 100.0000 % X Ontario Allocation / **365 (366 if leap year) =+ 507

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001**

\+ (b) From 470 8,354,625 X 0.3% - - - - - - - - - - - - - =+ 490

**Deduct:**

[ $3,200,000 - From 520 8,725,833 ] X 0.5% X From 521 = - 495 *If 3,200,000 - 520 is negative, enter NIL in 495*

557 Days in tax year after Dec 31, 2000 and before Oct 1, 2001

( 509 = 490 - 495 ) = 509 7,177 X From 30 100.0000 % X Ontario Allocation / **365 (366 if leap year) =+ 522

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001**

\+ (c) Capital tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital ( 540 on page 12) is $5,000,000 or less, is NIL. Enter NIL - - - - - - - - =+ 523 NIL

= **Total Capital Tax for the taxation year** 507 + 522 + 523 - - - - - - - - - - - - - - - - - - - - = 508

*Transfer to* 543 *and complete the return from that point.*

**E2.** If the aggregate taxable capital 520 on page 12, exceeds **$3,200,000** complete the following calculations and transfer the total From 508 to 543 on this page, and complete the return from that point.

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001**

\+ (a) From 470 8,354,625 X From 30 100.0000 % X 0.3% X 555 (Days in taxation year before October 1, 2001) / Ontario Allocation / **365 (366 if leap year) - - - =+ 502

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001**

\+ (b) + From 470 8,354,625

- From 541 Section C 4,787,294

= 471 3,567,331 X From 30 100.0000 % X 0.3% X 560 365 (Days in taxation year after September 30, 2001) / Ontario Allocation / **365 (366 if leap year) =+ 523 10,702

= **Total Capital Tax for the taxation year** 502 + 523 - - - - - - - - - - - - - - - - - - - - = 508 10,702

*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 10,702

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* - - - - - - - - - - - - - 546

**Capital Tax** 543 - 546 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - = 550 10,702

*Transfer to Page 18*

*continued on Page 14*

## 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] _____ X 0.6% X From [30] 100.0000 % X [555] 365 ÷ **365 = + [569] _____

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year — (366 if leap year)

[570] _____ X [571] _____ % X From [30] 100.0000 % X [555] 365 ÷ **365 = + [574] _____

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 — (366 if leap year)

**Capital Tax for Financial Institutions - other than Credit Unions (before Section II)** [569] + [574] - - - - - - = [575] _____

**** 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 - - - - - -

## 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 | 250,591 |
| | | *Transfer to Page 16* |

**Add:**

| | | |
|---|---|---|
| Federal capital cost allowance | + 601 | 614,399 |
| Federal cumulative eligible capital deduction | + 602 | 24,193 |
| 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 | + 609 | |
| Federal depletion allowance | + 610 | |
| Federal foreign exploration and development expenses | + 611 | |

Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼

**Number of Days in Taxation Year**

| | | Days after | Total Days | | |
|---|---|---|---|---|---|
| 612 | X 5/14.5 x | May 1,2000 and before Jan. 1,2001: 24 ÷ | 73 365 | = + 631 | |
| 612 | X 5/14.0 x | Dec 31,2000 and before Oct. 1,2001: 26 ÷ | 73 365 | = + 632 | |
| 612 | X 5/12.5 x | Sept. 30,2001 and before Jan. 1,2003: 28 365 ÷ | 73 365 | = + 633 | |
| 612 | X 5/11.0 x | Dec. 31,2002 and before Jan. 1,2004: 31 ÷ | 73 365 | = + 634 | |

| | | |
|---|---|---|
| Total add-back amount for Management fees, etc. 631 + 632 + 633 + 634 = | ▶+ 613 | |
| Federal allowable business investment loss | + 620 | |
| Items allowed federally but disallowed by Ontario: | | |
| _____ | + | |
| _____ | + | |
| Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* | ▶+ 614 | |
| Add: Federal Scientific Research Expenses claimed in year from fed form T661 | + 615 | |
| **Sub Total of Additions** 601 to 614 + 615 + 620 | = 640 | 638,592 |
| | | *Transfer to Page 16* |

continued on Page 16

DOLLARS ONLY

## 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 ± 600 250,591

Sub Total of Additions - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - From = 640 638,592

**Deduct:**

Ontario capital cost allowance - - - - - - - - - - - - - - - - - - - - + 650 614,399

Ontario cumulative eligible capital deduction - - - - - - - - - - - - - - - - - - + 651 24,193

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 - - - - - - - - - - - - - - - - - - - - - - - + 659

Ontario research and development super allowance *(Attach schedule)* - - - - - - - - + 660

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

Ontario current cost adjustment *(Attach schedule)* - - - - - - - - - - - - - - - + 661

**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 [ ] Gross-up of CCA X 100 / From 30 100.0000 Ontario Allocation — From 662 [ ] = 663 [ ]

**Workplace Child Care Tax Incentive: (*Applies* to qualifying expenditures incurred after May 5, 1998.)**

Qualifying expenditures: 665 [ ] X 30% X 100 / From 30 100.0000 Ontario Allocation = 666 [ ]

**Workplace Accessibility Tax Incentive: (*Applies* to qualifying expenditures incurred after July 1, 1998.)**

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 made within the 3 year period commencing after May 4, 1999.)(*Refer to guide*)**

Qualifying expenditures: 670 [ ] X 30% X 100 / From 30 100.0000 Ontario Allocation = 671 [ ]

**Educational Technology Tax Incentive: (*Applies* to qualifying amounts incurred after May 2, 2000.)**

Qualifying expenditures: 672 [ ] X 15% X 100 / From 30 100.0000 Ontario Allocation = 673 [ ]

**Ontario allowable business investment loss** - - - - - - - - - - - - - - - + 678

Items disallowed federally but allowed by Ontario:

**Total of other deductions** allowed by Ontario *(Attach schedule)* - - - - - - - - - + 664

Deduct: Ontario Scientific Research Expenses claimed in year from Ont form CT161 - - - + 679

**Sub Total of Deductions**

650 to 660 + 674 + 661 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 664 = 638,592 ▶ 680 638,592

**Net income (loss) for Ontario purposes** 600 + 640 − 680 - - - - - - - - - - - = 690 250,591

*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) 1,258 | 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 1,258 | 715 (4) | 724 | 734 (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 18 | 716 (2) To Page 18 | 726 (2) To Page 18 | 736 (2) To Page 18 | 746 | |
| **Subtotal** | 707 1,258 | 717 | 727 | 737 | 747 | 757 |
| **Balance at End of Year** | 709 (8) <NIL> | 719 <NIL> | 729 <NIL> | 739 | 749 <NIL> | 759 <NIL> |

**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) 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 adjustment is 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 1993/12/31 | | | | 850 | 870 |
| 801 1994/12/31 | | | | 851 | 871 |
| 802 1995/12/31 | | | | 852 | 872 |
| 803 1996/12/31 | 820 | 830 | 840 | 853 | 873 |
| 804 1997/12/31 | 821 | 831 | 841 | 854 | 874 |
| 805 1998/12/31 | 822 | 832 | 842 | 855 | 875 |
| 806 1999/12/31 | 823 | 833 | 843 | 856 | 876 |
| 807 2000/12/31 | 824 | 834 | 844 | 857 | 877 |
| 808 2001/12/31 | 825 | 835 | 845 | 858 | 878 |
| 809 2002/12/31 | 826 | 836 | 846 | 859 | 879 |
| **Total** | 829 <NIL> | 839 <NIL> | 849 <NIL> | 869 <NIL> | 889 |

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1800256 | 2002/12/31 |

DOLLARS ONLY

## 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 Corporations's Tax Account No. (MOF)** / **Taxation Year Ending YYYY MM DD** | | | | |
| i) 3rd preceding _____ 901 1999/12/31 | 911 | 921 | 931 | 941 |
| ii) 2nd preceding _____ 902 2000/12/31 | 912 | 922 | 932 | 942 |
| iii) 1st preceding _____ 903 2001/12/31 | 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 | | 14,960 | |
| **Corporate Minimum Tax** + From 280 | | | |
| **Capital Tax** + From 550 | | 10,702 | |
| **Premium Tax** + From 590 | | | |
| **Total Tax Payable** = | 950 | 25,662 | |
| **Subtract: Payments** − | 960 | 12,000 | |
| **Capital Gains Refund** (s.48) − | 965 | | |
| **Qualifying Environmental Trust Tax Credit** (*Refer to Guide*) − | 985 | | |
| **Specified Tax Credits** (Refer to Guide) − | 955 | | |
| **Balance** = | 970 | 13,662 | |
| **If payment due** Enclosed* | 990 | 13,662 | |
| **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.

## 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)

George McEachern

Title

President

Full Residence Address

195 Progress Drive

Gravenhurst ON
CA P1P1X4

Signature

Date 04/04/2003

***Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.***

# Corporate Minimum Tax - Schedule A: Calculation of CMT Base

DOLLARS ONLY

**Banks** - Net Income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

| | | | | |
|---|---|---|---|---|
| Net Income/Loss (unconsolidated, determined in accordance with GAAP) | | | ± 2100 | 260.087 |
| **Subtract (to the extent reflected in net income/loss):** | | | | |
| Provision for recovery of income taxes | + 2101 | | | |
| Provision for deferred income taxes (credits) | + 2102 | | | |
| Equity income from corporations | + 2103 | | | |
| Share of partnership(s)/joint venture(s) income | + 2104 | | | |
| Dividends received/receivable deductible under fed.s.112 | + 2105 | | | |
| Dividends received/receivable deductible under fed.s.113 | + 2106 | | | |
| Dividends received/receivable deductible fed.s.83(2) | + 2107 | | | |
| Federal Part VI.1 tax paid on dividends declared and paid after May 5, 1997, under fed.s.191.1(1) _____ X 9/4 | + 2108 | | | |
| **Subtotal** | = | | → 2109 | |
| **Add (to extent reflected in net income/loss):** | | | | |
| Provision for current taxes | + 2110 | 65.546 | | |
| Provision for deferred income taxes (debits) | + 2111 | | | |
| Equity losses from corporations | + 2112 | | | |
| Share of partnership(s)/joint venture(s) losses | + 2113 | | | |
| Dividends that have been deducted to arrive at net income per Financial Statements. ***Applies*** to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) | + 2114 | | | |
| **Subtotal** | = | 65.546 | → + 2115 | 65.546 |
| **Add/Subtract:** | | | | |
| Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years | | | | |
| ** Fed. s.85 | + 2116 | or - 2117 | | |
| ** Fed. s.85.1 | + 2118 | or - 2119 | | |
| ** Fed. s.97 | + 2120 | or - 2121 | | |
| ** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years | + 2122 | or - 2123 | | |
| ** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years | + 2124 | or - 2125 | | |
| ** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years | + 2126 | or - 2127 | | |
| Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income | - 2150 | | | |
| **Subtotal (Additions)** | = | | + 2128 | |
| **Subtotal (Subtractions)** | = | | → 2129 | |
| ** Other adjustments | | | ± 2130 | |
| **Subtotal** ± 2100 − 2109 + 2115 + 2128 − 2129 ± 2130 | | | = 2131 | 325.633 |
| ** Share of partnership(s)/joint venture(s) **adjusted** net income/loss | | | ± 2132 | |
| **Adjusted net income (loss)** (if loss, transfer to 2202 in ***Schedule B: Continuity of CMT Losses Carried Forward, Page 20***) | | | = 2133 | 325.633 |
| Deduct * CMT losses: pre-1994 Loss | + From 2210 | | | |
| * CMT losses: other eligible losses | + From 2211 | 41.136 | | |
| | = | 41.136 | → 2134 | 41.136 |
| * CMT losses applied cannot exceed adjusted net income or increase a loss | | | | |
| ** *Retain calculations. Do not submit with this tax return.* | | | | |
| **CMT Base** | | | = 2135 | 284.497 |

*Transfer to CMT Base, Page 8*

## Corporate Minmum Tax (CMT)

DOLLARS ONLY

## Schedule B: Continuity of CMT Losses Carried Forward

| | | | |
|---|---|---|---|
| **Balance at Beginning of year** (1), (2) | | + 2201 | 41,136 |
| **Add:** Current year's losses | + 2202 | | |
| Losses from predecessor corporations on amalgamation (3) | + 2203 | | |
| Losses from predecessor corporations on wind-up (3) | + 2204 | | |
| Amalgamation ( X ) 2205 ☐ Yes Wind-up ( X ) 2206 ☐ Yes | | | |
| **Subtotal** | = | ▶+ 2207 | |
| Adjustments (attach schedule) | | ± 2208 | |
| **CMT losses available** 2201 + 2207 ± 2208 | | = 2209 | 41,136 |
| **Subtract:** Pre-1994 loss utilized during the year to reduce adjusted net income | + 2210 | | |
| Other eligible losses utilized during the year to reduce adjust. net income (4) | + 2211 | 41,136 | |
| Losses expired during the year | + 2212 | | |
| **Sub-Total** | 41,136 | ▶– 2213 | 41,136 |
| **Balance at End of Year** (5) 2209 – 2213 | | = 2214 | |

**Notes:**

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

## Schedule C: Analysis of CMT Losses Year-End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year-end before your corporation's first taxation year commencing after 1993.

| Year of Origin (oldest year first) year month day | CMT Losses of Corporation | CMT Losses of Predecessor Corporations |
|---|---|---|
| 2240 1993/12/31 | 2260 | 2280 |
| 2241 1994/12/31 | 2261 | 2281 |
| 2242 1995/12/31 | 2262 | 2282 |
| 2243 1996/12/31 | 2263 | 2283 |
| 2244 1997/12/31 | 2264 | 2284 |
| 2245 1998/12/31 | 2265 | 2285 |
| 2246 1999/12/31 | 2266 | 2286 |
| 2247 2000/12/31 | 2267 | 2287 |
| 2248 2001/12/31 | 2268 | 2288 |
| 2249 2002/12/31 | 2269 | 2289 |
| Totals | 2270 | 2290 |

**The sum of amounts 2270 + 2290 must equal amount in 2214 .**

# Schedule A: Information on Ontario Corporations

(Corporations that are incorporated, continued or amalgamated under the *Ontario Business Corporations Act*)

**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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1446745 | 2000/10/25 |

## Director/Officer Information

Full Name and Address for Service:

| Last Name | First Name | Middle Name(s) |
|---|---|---|
| McEachern | George | |

Street Number and Name: R.R. #2 — Suite:

| City/Town/Village | Province/State | Country | Postal/Zip Code |
|---|---|---|---|
| Washago | ON | | L0K 2B0 |

**Director**

Are you a resident Canadian? *(Applies to directors of business corporations only)*

[X] Yes [ ] No

Date Elected year/month/day:

Date Ceased year/month/day:

**Officer**

Indicate the appointment period for each of the following:

| | Date Appointed Year/Month/Day | Date Ceased Year/Month/Day |
|---|---|---|
| President | 2000/10/25 | |
| Secretary | 2000/10/25 | |
| Treasurer | 2000/10/25 | |
| 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) |
|---|---|---|
| O"Hallarn | Brian | |

Street Number and Name: 155 Robinson Avenue — Suite:

| City/Town/Village | Province/State | Country | Postal/Zip Code |
|---|---|---|---|
| Gravenhurst | ON | | P1P 1R5 |

**Director**

Are you a resident Canadian? *(Applies to directors of business corporations only)*

[X] Yes [ ] No

Date Elected year/month/day: 2000/10/25

Date Ceased year/month/day:

**Officer**

Indicate the appointment period for each of the following:

| | Date Appointed Year/Month/Day | Date Ceased Year/Month/Day |
|---|---|---|
| President | | |
| Secretary | | |
| Treasurer | | |
| General Manager | | |
| Other *(specify)* | | |

Other Titles *(please specify)*:

- [X] 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.**

# CAPITAL COST ALLOWANCE (CCA)

**SCHEDULE 8 - Ontario**

## (1998 and later taxation years)

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1800256 | | 2002/12/31 |

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide.*

Is the corporation electing under regulation 1101(5g)? **101** 1 Yes ☐ 2 No ☒

| 1 Class no. 200 | Description | 2 Undepreciated capital cost at the beginning of the year (column 11 from last year's T2S(8)) 201 | 3 Cost of acquisitions during the year (new property must be available for use) See note 1 below 203 | 4 Adjustments (show negative amounts in brackets) 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 (deduct 1/2 the amount, if any, by which the net cost of acquisitions exceeds col. 5) See note 2 below 211 | 8 Reduced undepreciated capital cost (column 6 minus column 7) | 9 CCA rate % 212 | 10 Capital cost allowance (column 8 multiplied by column 9; or a lower amount) See note 3 below 217 | 11 Undepreciated capital cost at the end of the year (column 6 minus column 10) 220 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Buildings | 382,623 | 21,089 | | | 403,712 | 10,545 | 393,167 | 4.0 | 15,727 | 387,985 |
| 1 | | 5,667,358 | 897,576 | | | 6,564,934 | 448,788 | 6,116,146 | 4.0 | 244,646 | 6,320,288 |
| 8 | Equipment | 41,239 | 1,765 | | | 43,004 | 883 | 42,121 | 20.0 | 8,424 | 34,580 |
| 10 | Computer E | 37,926 | 6,570 | | | 44,496 | 3,285 | 41,211 | 30.0 | 12,363 | 32,133 |
| 12 | | 6,080 | | | | 6,080 | | 6,080 | 100. | 6,080 | <NIL> |
| 12 | | 22,907 | | | | 22,907 | | 22,907 | 100. | 22,907 | <NIL> |
| 8 | Equipment | 7,358 | 6,577 | | | 13,935 | 3,289 | 10,646 | 20.0 | 2,129 | 11,806 |
| 10 | | 391,819 | 10,789 | | | 402,608 | 5,395 | 397,213 | 30.0 | 119,164 | 283,444 |
| 12 | Small Tool | 369 | | | | 369 | | 369 | 100. | 369 | <NIL> |
| 8 | Equipment | 890,942 | | | | 890,942 | | 890,942 | 20.0 | 178,188 | 712,754 |
| 8 | | 22,010 | | | | 22,010 | | 22,010 | 20.0 | 4,402 | 17,608 |
| | Total | 7,470,631 | 944,366 | | | 8,414,997 | 472,185 | 7,942,812 | | 614,399 | 7,800,598 |

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).

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. See the T2 Guide for more information.

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

# CAPITAL COST ALLOWANCE (CCA)

**SCHEDULE 8SUM - Ontario**

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1800256 | 2002/12/31 |

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*

Is the corporation electing under regulation 1101(5g)? 1 Yes ☐ 2 No ☒

| 1 Class number | 2 UCC start of year | 3 Additions during the year | 4 Net adjustments | 5 Proceeds of dispositions | 6 UCC | 7 50% rule on net acquisitions | 8 Reduced UCC |
|---|---|---|---|---|---|---|---|
| reg | 7,470,631 | 944,366 | | | 8,414,997 | 472,185 | 7,942,812 |
| 10.1 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |

| | 10 Recapture of CCA | 11 Terminal Loss loss | 12 CCA | 13 UCC at end of year |
|---|---|---|---|---|
| reg | | | 614,399 | 7,800,598 |
| 10.1 | | | | |
| 13 | | | | |
| 14 | | | | |
| **Total** | | | 614,399 | |

| 1 Class number | 2 UCC start of year | 3 Additions during the year | 4 Net adjustments | 5 Proceeds of dispositions | 6 UCC | 7 50% rule on net acquisitions | 8 Reduced UCC |
|---|---|---|---|---|---|---|---|
| 24 | | | | | | | |
| 27 | | | | | | | |
| 29 | | | | | | | |
| 34 | | | | | | | |
| Rental | | | | | | | |

| | 10 Recapture of CCA | 11 Terminal Loss loss | 12 CCA | 13 UCC at end of year |
|---|---|---|---|---|
| 24 | | | | |
| 27 | | | | |
| 29 | | | | |
| 34 | | | | |
| Rental | | | | |
| **Total** | | | | |

**Totals:**

| | | |
|---|---|---|
| Recapture | | Enter in 650 on the CT23 |
| Terminal loss | | Enter in 650 on the CT23 |
| CCA Claimed | 614,399 | Enter in 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 acquistions 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

# Ontario Cumulative Eligible Capital Deduction Schedule 10

(For taxation years 2000 and later)

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1800256 | 2002/12/31 |

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

## Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at end of preceding taxation year *(if negative, enter zero)* ..... 345,611 **A**

**Add:** Cost of eligible capital property acquired during the taxation year ..... + _____ **B**

Amount transferred on amalgamation or wind-up of subsidiary ..... + _____ **C**

Other adjustments ..... + _____ **D**

**Total of B + C + D** ..... = _____ x 3/4 = _____ **E**

**Subtotal A + E** ..... = 345,611 **F**

**Deduct:** Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year ..... + _____ **G**

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada) ..... + _____ **H**

Other adjustments ..... + _____ **I**

**Total of G + H + I** ..... = _____ x 3/4 = _____ **J**

**Ontario Cumulative eligible capital balance F - J** ..... = 345,611 **K**

***If amount K is negative, enter zero at line M and proceed to Part 2***

**Current year deduction** 345,611 K x 7% * ..... = 24,193 **L**

** The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.* Enter the amount in box 651 of the CT23

**Ontario cumulative eligible capital - closing balance K - L** (if negative, enter zero) ..... = 321,418 **M**

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

## Part 2 - Amount to be included in income arising from dispostion

***Only Complete this part only if the amount at line K is negative***

Amount from line K above *show* as a positive amount ..... _____ **N**

Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 ..... _____ **1**

Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA ..... _____ **2**

Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 ..... _____ **3**

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 ..... _____ **4**

Line 3 deduct line 4 ..... _____ _____ **5**

Total lines 1 + 2 + 5 ..... _____ **6**

Line T From previous Ontario Schedule 10 for taxation years ending after February 27, 2000 ..... _____ **7**

Deduct line 7 from line 6 ..... _____ _____ **O**

N- O *(cannot be negative)* ..... _____ **P**

Amount on line 5 _____ X 1/2 ..... _____ **Q**

P - Q ..... _____ **R**

Amount on line R _____ X 2/3 ..... _____ **S**

Lesser of line N or line O ..... _____ **T**

Amount to be included in income S + T ..... _____

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

# Corporate Minimum Tax - Associated Corporations

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1800256 | 2002/12/31 |

| Name of Associated Corporation (Canadian and Foreign) | Corporations Tax Number | Taxation Year End | Total Assets | Total Revenue |
|---|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1800256 | 2002/12/31 | 9,698,274 | 2,573,177 |
| Gravenhurst Energy Service | 1800255 | 2002/12/31 | 389,124 | 107,289 |
| Gravenhurst Power Inc. | 1800255 | 2002/12/31 | 2,508,977 | 1 |
| | | | | |
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| | | | | |
| | | | | |
| **Totals** | | | 12,596,375 | 2,680,467 |

*(Transfer to* 249 *of the CT23)* *(Transfer to* 250 *of the CT23)*

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

# Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

**Schedule CT21**

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1800256 | 2002/12/31 |

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

| Name of Associated Corporation (Must have a PE in Canada) | Corporations Tax Account No. (MOF) (if applicable) | Taxation Year End | Taxable capital |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1800256 | 2002/12/31 | 8,354,625 |
| Gravenhurst Energy Service | 1800255 | 2002/12/31 | 347,702 |
| Gravenhurst Power Inc | 1800257 | 2002/12/31 | 23,506 |
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**Aggregate of taxable capital** 8,725,833

*(Transfer to* 540 *of the CT23)*

Ministry of Finance Ontario
Corporations Tax Branch
P.O. Box 620
33 King Street West
Oshawa, Ontario
L1H 8E9

# Payment Advice

**Enter the amount of payment and indicate taxation year**

| Account Number | Date of Incorporation |
|---|---|
| 1800256 | year month day 2000/10/25 |
| Name: Gravenhurst Hydro Electric Inc. | |

| Taxation year end | Payment Amount |
|---|---|
| year month day 2002/12/31 | $ 13,662 |
| | $ |
| **Total Payment** | $ 13,662 |

Submit this Payment Advice with your cheque (drawn on a Canadian financial institution) or money order, in Canadian funds, payable to: the Minister of Finance.

Send to: Ontario Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa On L1H 8E9

Canada Customs and Revenue Agency

# T2 CORPORATION INCOME TAX RETURN

200
Code 0301

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.

055 **Do not use this area**

CLIENT'S COPY

## Identification

**Business Number (BN)** (item 11) .... **001** 891085615 **RC** 0001

**Corporation's name** (Item 12)

**002** Gravenhurst Hydro Electric Inc.

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** (item 13)

Has the address changed since the last time we were notified? ..... **010** 1 Yes ☐ 2 No ☒

**011** 195 Progress Drive

**012** P.O. Box 250

| City | Province, territory or state |
|---|---|
| **015** Gravenhurst | **016** ON |
| Country (other than Canada) | Postal code / ZIP code |
| **017** CA | **018** P1P1T6 |

**Mailing address** (If different from head office address) (item 14)

Has the address changed since the last time we were notified?

**020** 1 Yes ☒ 2 No ☐

**021 c/o** George McEachern

**022** P.O. Box 250

**023**

| City | Province, territory or state |
|---|---|
| **025** Gravenhurst | **026** ON |
| Country (other than Canada) | Postal code / ZIP code |
| **027** CA | **028** P1P1T6 |

**Location of books and records** (item 15)

**031** 195 Progress Drive

**032** P.O. Box 250

| City | Province, territory or state |
|---|---|
| **035** Gravenhurst | **036** ON |
| Country (other than Canada) | Postal code / ZIP code |
| **037** CA | **038** P1P1T6 |

**040 Type of corporation at the end of the taxation year** (item 16)

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?** (item 17)

| Taxation year start | Taxation year-end |
|---|---|
| **060** 2003/01/01 | **061** 2003/12/31 |
| 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?** (item 18) ..... **067** 1 Yes ☐ 2 No ☒

**Is this the first year of filing after:**
Incorporation? (item 19) ..... **070** 1 Yes ☐ 2 No ☒
Amalgamation? (item 20) ..... **071** 1 Yes ☐ 2 No ☒
If *Yes*, complete and attach Schedule 24

**Has there been a windup of a subsidary under section 88 during the current taxation year?** (item 21) ..... **072** 1 Yes ☐ 2 No ☒
If *Yes*, complete and attach Schedule 24

**Is this the final taxation year before amalgamation?** (item 22) ..... **076** 1 Yes ☐ 2 No ☒

**Is this the final return up to dissolution?** (item 23) ..... **078** 1 Yes ☐ 2 No ☒

**Is the corporation a resident of Canada?** (item 24)

**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?** (item 24) ..... **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:** (item 25)

**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 | | | | | |



**No longer required by the CCRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2003/12/31 |

## Attachments

* We do not print these schedules.

**Financial statement information:** For taxation years ending in 2000 and later, 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.

| Guide | item | | Yes | No | Schedule |
|---|---|---|---|---|---|
| 27 | Is the corporation related to any other corporations? | 150 | X | | 9 |
| 28 | Does the corporation have any non-resident shareholders? | 151 | | X | 19 |
| 29 | Is the corporation an associated Canadian-controlled private corporation? | 160 | X | | 23 |
| 30 | Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit? | 161 | | X | 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 | | X | 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 | | X | 44 |
| 34 | Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? | 164 | | X | 14 |
| 35 | Is the corporation claiming a deduction for payments to a type of employee benefit plan? | 165 | | X | 15 |
| 37 | Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? | 166 | | X | T5004 |
| 38 | Is the corporation a member of a partnership for which a partnership identification number has been assigned? | 167 | | X | 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 | | X | 22 |
| 41 | Did the corporation have any foreign affiliates during the year? | 169 | | X | 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 | | X | 29 |
| 43 | Has the corporation had any non-arm's length transactions with a non-resident? | 171 | | X | T106 |
| 47 | Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year? | 172 | | X | — |
| 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 | | X | 2 |
| 82,104 | Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? | 203 | | X | 3 |
| 69-76 | Is the corporation claiming any type of losses? | 204 | | X | 4 |
| 132 | Is the corp. claiming prov. or territorial tax credit or does it have a permanent establishment in more than one jurisdiction? | 205 | | X | 5 |
| 56 | Has the corporation realized any capital gains or incurred any capital losses during the taxation year? | 206 | | X | 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 | | X | 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 | X | | 10 |
| 59 | Does the corporation have any resource-related deductions? | 212 | | X | 12 |
| 60 | Is the corporation claiming reserves of any kind? | 213 | | X | 13 |
| 61 | Is the corporation claiming a patronage dividend deduction? | 216 | | X | 16 |
| 62 | Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction? | 217 | | X | 17 |
| 150 | Is the corporation an investment corporation or a mutual fund corporation? | 218 | | X | 18 |
| 131 | Was the corporation carrying on business in Canada as a non-resident corporation? | 220 | | X | 20* |
| 118 | Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits? | 221 | | X | 21 |
| 155 | Is the corporation a non-resident-owned investment corporation claiming an allowable refund? | 226 | | X | 26* |
| 111 | Does the corporation have any Canadian manufacturing and processing profits? | 227 | | X | 27 |
| 121 | Is the corporation claiming an investment tax credit? | 231 | | X | 31 |
| 63 | Is the corporation claiming any scientific research and experimental development expenditures? | 232 | | X | T661/T665 |
| 124 | Is the corporation subject to gross Part 1.3 tax? | 233 | | X | 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 | X | | 36 |
| 124 | Is the corporation claiming a surtax credit? | 237 | X | | 37 |
| 128 | Is the corporation subject to gross Part VI tax on capital of financial institutions? | 238 | | X | 38 |
| 128 | Is the corporation claiming a Part I tax credit? | 242 | | X | 42 |
| 129 | Is the corp. subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid? | 243 | | X | 43 |
| 129 | Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? | 244 | | X | 45 |
| 125 | Is the corporation subject to Part II - Tobacco Manufacturers' surtax ? | 249 | | X | 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 | | X | 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 | | X | 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 | | X | 41 |
| 152 | Is the corporation claiming a Canadian film or video production tax credit refund? | 253 | | X | T1131 |



**No longer required by the CCRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2003/12/31 |

**Attachments - continued from page 2**

| Guide item | | Yes | No | Sched. |
|---|---|---|---|---|
| 130 | Is the corporation subject to Part XIII.1 tax? | | X | 92* |
| 153 | Is the corporation claiming a film or video production services tax credit refund? | | X | T1177 |
| 44 | Did the corporation have any foreign affiliates that are not controlled foreign affiliates? | | X | T1134-A |
| 44 | Did the corporation have any controlled foreign affiliates? | | X | T1134-B |
| 44 | Did the corporation own specified foreign property in the year with a cost amount of over $100,000? | | X | T1135 |
| 44 | Did the corporation transfer or loan property to a non-resident trust? | | X | T1141 |
| 44 | Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? | | X | T1142 |
| -- | Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada ? | | X | T1145 |
| -- | Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? | | X | T1146 |
| -- | Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED ? | | X | T1174 |

**Additional information**

Is the corporation inactive? (item 48) **280** 1 Yes [ ] 2 No [X]

Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers) (item 49) **281** 1 Yes [ ] 2 No [X]

What is the corporation's major business activity? (item 50) **282** Hydro Electric services

(Only complete if *Yes* was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51) **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 (item 52)

| | | | |
|---|---|---|---|
| **284** | Hydro Distribution | **285** | 97.5 % |
| **286** | Other | **287** | 2.5 % |
| **288** | | **289** | % |

Did the corporation immigrate to Canada during the taxation year? (item 53) **291** 1 Yes [ ] 2 No [X]

Did the corporation emigrate from Canada during the taxation year? (item 54) **292** 1 Yes [ ] 2 No [X]

**Taxable income**

| | | | |
|---|---|---|---|
| Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI (item 77) | **300** | 947,825 | A |
| **Deduct:** Charitable donations from Schedule 2 (item 78) | **311** | | |
| Gifts to Canada, a province or a territory from Schedule 2 (item 79) | **312** | | |
| Cultural gifts from Schedule 2 (item 80) | **313** | | |
| Ecological gifts from Schedule 2 (item 81) | **314** | | |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82) | **320** | | |
| Part VI.1 tax deduction from Schedule 43 (item 83)* | **325** | | |
| Non-capital losses of preceding taxation years from Schedule 4 (item 84) | **331** | | |
| Net-capital losses of preceding taxation years from Schedule 4 (item 85) | **332** | | |
| Restricted farm losses of preceding taxation years from Schedule 4 (item 86) | **333** | | |
| Farm losses of preceding taxation years from Schedule 4 (item 87) | **334** | | |
| Limited partnership losses of preceding taxation years from Schedule 4 (item 88) | **335** | | |
| Taxable capital gains or taxable dividends allocated from a central credit union (item 89) | **340** | | |
| Prospector's and grubstaker's shares (item 90) | **350** | | |
| Subtotal | ▶ | | B |
| Subtotal (amount A minus amount B)(if negative, enter "0") | | 947,825 | C |
| **Add:** Section 110.5 additions and/or subparagraph 115(1)(a)(vii) addition(item 91) | **355** | | D |
| **Taxable income** (amount C plus amount D) (item 92) | **360** | 947,825 | |
| Income exempt under paragraph 149(1)(t) (item 93) | **370** | | |
| **Taxable income** for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94) | | 947,825 | Z |

* This amount is equal to 3 times the part VI.I tax payable at line 724 on page 8



**No longer required by the CCRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2003/12/31 |

**Small business deduction**

**Canadian-controlled private corporations (CCPCs) throughout the taxation year**

Income from active business carried on in Canada from Schedule 7 (item 95) ..... 400 947,825 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times (use '10/4' for taxation years ending before 2003) the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96) ..... 405 947,825 B

**Calculation of the business limit:** (item 97)

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 | | 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 | = | 365 | | 3 |
| | | | Add amounts at line 1, 2 and 3 | 225,000 | 4 |

Business limit (see note1 and 2 below) ..... 410 225,000 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:** (item 98)

Amount C 225,000 x **415** *** 90 D / 11,250 = ..... 1,800 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 223,200 F

**Small business deduction** - 16% of whichever amount is least: A, B, C, or F ..... 430 35,712 G

(enter amount G on line 9 on page 7.)

* 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) 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 1.3 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 1.3 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 preceding taxation years, enter the corporation's gross Part 1.3 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 year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part 1.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part 1.3 tax for its **current** taxation year.
* For corporations associated in the current taxation year, see Schedule 23 for special rules that apply.

**Accelerated tax reduction** (item 99)

**Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425) ..... 223,200 x 300,000 / line 4 above = 297,600 A

Net active business income (amount from line 400) * ..... 947,825 B

Taxable income from line 360 on page 3 **minus** 3 times (use '10/4' for taxation years ending before 2003) the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96) ..... 947,825 C

**Deduct:**

Aggregate investment income (amount from line 440 of page 6) ..... D

Amount C minus amount D (if negative, enter "0") ..... 947,825 ▶ 947,825 E

Amounts A, B, or E above, whichever is less ..... 297,600 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 of page 5 ..... 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 ..... 223,200 K

Total of amounts G, H, I, J, and K ..... 223,200 ▶ 223,200 L

Amount F minus amount L (if negative, enter "0") ..... 74,400 M

**Accelerated tax reduction** - 7% of amount M (enter amount N on line 637 of page 7). ..... 5,208 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.



**No longer required by the CCRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2003/12/31 |

**Resource deduction** (item 100)

Taxable resource income ..... 435 _____ A

Amount A _____ x Number of days in the taxation year in 2003 / Number of days in the taxation year: 365 / 365 X 1% = _____ B

Amount A _____ x Number of days in the taxation year in 2004 / Number of days in the taxation year: _____ / 365 X 2% = _____ C

**Resource deduction** - amount B plus amount C ..... 438 _____ D
(enter amount D on line 10 of page 7)

**General tax reduction for Canadian-controlled private corporations** (item 101)

**Canadian-controlled private corporations throughout the taxation year**

Taxable Income from line 360 on page 3 ..... 947,825 E

| | | | |
|---|---|---|---|
| Amount Z from Part 9 of Schedule 27 _____ x 100/7 = | | F | |
| Amount QQ from Part 13 of Schedule 27 | | G | |
| Taxable resource income from line 435 above | | H | |
| Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) | | I | |
| Amount on line 400, 405, 410 or 425 on page 4, whichever is less | 223,200 | J | |
| Aggregate investment income from line 440 on page 6 | | K | |
| Amount used to calculate the accelerated tax reduction (amount M on page 4) | 74,400 | L | |
| Total of amounts F, G, H, I, J, K, and L | 297,600 | ▶ | 297,600 M |
| Amount E minus amount M (if negative, enter "0") | | | 650,225 N |

Amount N 650,225 x Number of days in the taxation year in 2002 / Number of days in the taxation year: _____ / 365 X 3% = _____ O

Amount N 650,225 x Number of days in the taxation year in 2003 / Number of days in the taxation year: 365 / 365 X 5% = 32,511 P

Amount N 650,225 x Number of days in the taxation year after 2003 / Number of days in the taxation year: _____ / 365 X 7% = _____ Q

**General tax reduction for Canadian-controlled private corporations** - Total of amounts O, P and Q ..... 32,511 R
(enter amount R on line 638 of page 7)

**General tax reduction** (item 102)

**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 on page 3 ..... _____ S

| | | | |
|---|---|---|---|
| Amount Z from Part 9 of Schedule 27 _____ x 100/7 = | | T | |
| Amount QQ from Part 13 of Schedule 27 | | U | |
| Taxable resource income from line 435 above | | V | |
| Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) | | W | |
| Total of amounts T, U, V, and W | | ▶ | _____ X |
| Amount S minus amount X (if negative, enter "0") | | | _____ Y |

Amount Y _____ x Number of days in the taxation year in 2002 / Number of days in the taxation year: _____ / 365 X 3% = _____ Z

Amount Y _____ x Number of days in the taxation year in 2003 / Number of days in the taxation year: 365 / 365 X 5% = _____ AA

Amount Y _____ x Number of days in the taxation year after 2003 / Number of days in the taxation year: _____ / 365 X 7% = _____ BB

**General tax reduction** - Total of amounts Z, AA and BB ..... _____ CC
(enter amount CC on line 639 of page 7)

**No longer required by the CCRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2003/12/31 |

**Refundable portion of Part I tax** (item 103)

**Canadian-controlled private corporations throughout the taxation year**

Aggregate investment income ..... **440** _____ X 26 2/3 % = ..... _____ A
(Amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 ..... _____

**Deduct:**

Foreign investment income ..... **445** _____ X 9 1/3 % = ..... _____
(Amount O from Part 1 of Schedule 7) (if negative, enter "0") _____ ▶ _____ B

Amount A minus amount B (if negative, enter "0") ..... _____ C

Taxable income from line 360 on page 3 ..... 947,825

**Deduct:**

Amount on line 400, 405, 410 or 425 on page 4, whichever is less ..... 223,200

Foreign non-business income tax credit from line 632 on page 7 _____ X 25/9 _____

Foreign business income tax credit from line 636 on page 7 _____ X 3* _____

223,200 ▶ 223,200

724,625 X 26 2/3 %= 193,233 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) 202,576

**Deduct:** Corporate surtax from line 600 of page 7 ..... 10,616

Net amount ..... 191,960 ▶ 191,960 E

**Refundable portion of Part I tax** - Amount C, D or E, whichever is less ..... **450** <NIL> F

* For taxation years ending before 2003, "3" is replaced by 10/4.

**Refundable dividend tax on hand** (item 104)

Refundable dividend tax on hand at the end of the preceding taxation year ..... **460** _____

**Deduct:** Dividend refund for the previous taxation year ..... **465** _____

_____ ▶ _____ A

**Add** the total of:

Refundable portion of Part I tax from line 450 above ..... _____

Total Part IV tax payable from line 360 on page 2 of Schedule 3 ..... _____

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation ..... **480** _____

_____ ▶ _____ B

**Refundable dividend tax on hand at the end of the taxation year** - Amount A plus amount B ..... **485** <NIL>

**Dividend refund** (item 105)

**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 .... _____ X 1/3 _____ A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... _____ B

**Dividend refund** - Amount A or B, whichever is less (enter this amount on line 784 of page 8) ..... _____



**No longer required by the CCRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2003/12/31 |

**Part I tax**

**Base amount of Part I tax** -38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106) ..... **550** 360,174 A

**Corporate surtax calculation** (item 107)

| | | | |
|---|---|---|---|
| Base amount from line A above | | 360,174 | 1 |
| **Deduct:** | | | |
| 10% of taxable income (line 360 or amount Z, whichever applies) from page 3 | | 94,783 | 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 less: | | | |
| 28% of taxable income from line 360 on page 3 | 265,391 a | | |
| 28% of taxed capital gains | b | | 6 |
| Part I tax otherwise payable (line A **plus** lines C and D **minus** line F) | 191,960 c | | |
| Total of lines 2 to 6 | | 94,783 | 7 |
| Net amount (line 1 minus line 7) | | 265,391 | 8 |

**Corporate surtax** - 4% of the amount on line 8 ..... **600** 10,616 B

Recapture of Investment tax credit from line PPP in Part 21 of Schedule 31 (item 108) ..... **602** C

**Calculation for the refundable tax on Canadian-controlled private corporation's (CCPC) investment income** (for a CCPC throughout the taxation year) (item 109)

| | | | |
|---|---|---|---|
| Aggregate investment income from line 440 on page 6 | | | i |
| Taxable income from line 360 on page 3 | 947,825 | | |
| **Deduct:** | | | |
| Amount on lines 400, 405, 410, or 425 of page 4, whichever is less | 223,200 | | |
| Net amount | 724,625 ▶ | 724,625 | ii |

**Refundable tax on CCPC's Investment income** - 6 2/3 % of the lesser of amounts i or ii ..... **604** D

Subtotal (add lines A, B, C, and D) 370,790 E

**Deduct:**

| | | | |
|---|---|---|---|
| Small business deduction from line 430 of page 4 | | 35,712 | 9 |
| Federal tax abatement (item 110) | **608** | 94,783 | |
| Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 (item 111) | **616** | | |
| Investment corporation deduction (item 112) | **620** | | |
| (taxed capital gains **624** ) | | | |
| Additional deduction - credit unions from Schedule 17 (item 113) | **628** | | |
| Federal foreign non-business income tax credit from Schedule 21 (item 114) | **632** | | |
| Federal foreign business income tax credit from Schedule 21 (item 115) | **636** | | |
| Accelerated tax reduction from amount N of page 4 (item 116) | **637** | 5,208 | |
| Resource deduction from line 438 of page 5 | | | 10 |
| General tax reduction for CCPCs from amount R of page 5 (item 117) | **638** | 32,511 | |
| General tax reduction from amount CC of page 5 (item 117) | **639** | | |
| Federal logging tax credit from Schedule 21 (item 118) | **640** | | |
| Federal political contribution tax credit (item 119) | **644** | | |
| Federal political contributions **646** | | | |
| Federal qualifying environmental trust tax credit (item 120) | **648** | | |
| Investment tax credit from Schedule 31 (item 121) | **652** | | |
| Subtotal | | 168,214 ▶ | 168,214 F |

**Part I tax payable** - Line E minus line F (enter amount G on line 700 of page 8) (Item 122) ..... 202,576 G

**No longer required by the CCRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2003/12/31 |

## Summary of tax and credits

**Federal tax**

| | | |
|---|---|---|
| Part I tax payable from page 7 (item 123) | 700 | 202,576 |
| Part I.3 tax payable from Schedule 33, 34 or 35 (item 124) | 704 | |
| Part II surtax payable from Schedule 46 (item 125) | 708 | |
| Part IV tax payable from Schedule 3 (item 126) | 712 | |
| Part IV.1 tax payable from Schedule 43 (item 127) | 716 | |
| Part VI tax payable from Schedule 38 (item 128) | 720 | |
| Part VI.1 tax payable from Schedule 43 (item 129) | 724 | |
| Part XIII.1 tax payable from Schedule 92 (item 130) | 727 | |
| Part XIV tax payable from Schedule 20 (item 131) | 728 | |
| Total federal tax | | 202,576 |

**Add provincial and territorial tax:**

Provincial or territorial jurisdiction (item 132) .... 750 Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

| | | |
|---|---|---|
| Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133) | 760 | |
| Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147) | 765 | |
| Total tax payable | 770 | 202,576 A |

**Deduct other credits:**

| | | |
|---|---|---|
| Investment tax credit refund from Schedule 31 (item 148) | 780 | |
| Dividend refund from page 6 (item 149) | 784 | |
| Federal capital gains refund from Schedule 18 (item 150) | 788 | |
| Federal qualifying environmental trust tax credit refund (item 151) | 792 | |
| Canadian film or video production tax credit refund from Form T1131 (item 152) | 796 | |
| Film or video production services tax credit refund from Form T1177 (item 153) | 797 | |
| Tax withheld at source (item 154) | 800 | |
| Total payments on which tax has been withheld (item 154) | 801 | |
| Allowable refund for non-resident-owned investment corporations from Schedule 26 (item 155) | 804 | |
| Provincial and territorial capital gains refund from Schedule 18 (item 156) | 808 | |
| Provincial and territorial refundable tax credits from Schedule 5 (item 157) | 812 | |
| Royalties deduc. under Syncrude Remis. Order (item 158) | 815 | |
| Tax remitted under Syncrude Remission Order (item 158) | 816 | |
| Tax instalments paid (item 159) | 840 | 61,479 |
| Total credits | 890 | 61,479 B |

Balance (line A minus line B) 141,097

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.

Refund code (item 160) 894 ☐

Overpayment (Item 163) _____

Balance unpaid (item 163) 141,097

Enclosed payment (item 162) 898 _____

### Direct Deposit Request (item 164)

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? (item 161).... 896 1 Yes ☐ 2 No ☒

### Certification (item 165)

I, 950 McEachern (Last name in block letters) 951 George (First name in block letters) 954 President (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 08/04/2004 (Date (dd/mm/yyyy)) _____ (Signature of an authorized signing officer of the corporation) 956 705-687-2321 (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 (item 166)

990 Please indicate the language of your choice.
Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Francais/French ☐



**No longer required by the CCRA. Submit the RSI forms only.**

Canada Customs and Revenue Agency

# NET INCOME (LOSS) FOR INCOME TAX PURPOSES
## (2000 and later taxation years)

**SCHEDULE 1**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2003/12/31 |

Net income (loss) after taxes and extraordinary items per financial statements ..... 1,025,144 A

**Add:**

| | | | |
|---|---|---|---|
| Provision for income taxes - current | 101 | 61,479 | |
| Provision for income taxes - deferred | 102 | | |
| Interest and penalties on taxes | 103 | | |
| Amortization of tangible assets | 104 | 469,480 | |
| Amortization of natural resource assets | 105 | | |
| Amortization of intangible assets | 106 | | |
| Recapture of capital cost allowance from Schedule 8 | 107 | | |
| Gain on sale of eligible capital property from Schedule 10 | 108 | | |
| Income or loss for tax purposes - joint ventures or partnerships | 109 | | |
| Loss in equity of subsidiaries and affiliates | 110 | | |
| Loss on disposal of assets | 111 | | |
| Charitable donations from Schedule 2 | 112 | | |
| Taxable capital gains from Schedule 6 | 113 | | |
| Political donations | 114 | | |
| Holdbacks | 115 | | |
| Deferred and prepaid expenses | 116 | | |
| Depreciation in inventory - end of year | 117 | | |
| Scientific research expenditures deducted per financial statements | 118 | | |
| Capitalized interest | 119 | | |
| Non-deductible club dues and fees | 120 | | |
| Non-deductible meals and entertainment expenses | 121 | | |
| Non-deductible automobile expenses | 122 | | |
| Non-deductible life insurance premiums | 123 | | |
| Non-deductible company pension plans | 124 | | |
| Tax reserves deducted in prior year from Schedule 13 | 125 | | |
| Reserves from financial statements - balance at the end of the year | 126 | | |
| Soft costs on construction and renovation of buildings | 127 | | |
| Total of fields 201 to 294 on page 2 | 199 | | |
| Total of fields 101 to 199 | 500 | 530,959 | ▶ 530,959 |

**Deduct:**

| | | | |
|---|---|---|---|
| Gain on disposal of assets per financial statements | 401 | 12,000 | |
| Dividends not taxable under section 83 from Schedule 3 | 402 | | |
| Capital cost allowance from Schedule 8 | 403 | 573,779 | |
| Terminal loss from Schedule 8 | 404 | | |
| Cumulative eligible capital deduction from Schedule 10 | 405 | 22,499 | |
| Allowable business investment loss - Schedule 6 | 406 | | |
| Foreign non-business tax deduction under subsection 20(12) | 407 | | |
| Holdbacks | 408 | | |
| Deferred and prepaid expenses | 409 | | |
| Depreciation in inventory - end of prior year | 410 | | |
| Scientific research expenses claimed in year from Form T661 | 411 | | |
| Tax reserves claimed in current year from Schedule 13 | 413 | | |
| Reserves from financial statements - balance at the beginning of the year | 414 | | |
| Patronage dividends from Schedule 16 | 416 | | |
| Contributions to deferred income plans from Schedule 15 | 417 | | |
| Total of fields 300 to 394 on page 3 | 499 | | |
| Total of fields 401 to 499 | 510 | 608,278 | ▶ 608,278 |

**Net income (loss) for income tax purposes** - enter at line 300 on page 3 of the T2 return ..... 947,825

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2003/12/31 |

**Add:**

| | | |
|---|---|---|
| Accounts payable and accruals for cash basis - closing | 201 | |
| Accounts receivable and prepaid for cash basis - opening | 202 | |
| Accrual inventory - opening | 203 | |
| Accrued dividends - prior year | 204 | |
| Book loss on joint ventures or partnerships | 205 | |
| Capital items expensed | 206 | |
| All crown charges, royalties, rentals, etc. | 207 | |
| Debt issue expense | 208 | |
| Deemed dividend income | 209 | |
| Deemed interest on loans to non-residents | 210 | |
| Deemed interest received | 211 | |
| Development expenses claimed in current year | 212 | |
| Dividend stop-loss adjustment | 213 | |
| Dividends credited to the investment account | 214 | |
| Exploration expenses claimed in current year | 215 | |
| Financing fees deducted in books | 216 | |
| Foreign accrual property income | 217 | |
| Foreign affiliate property income | 218 | |
| Foreign exchange included in retained earnings | 219 | |
| Gain on settlement of debt | 220 | |
| Interest paid on income debentures | 221 | |
| Limited partnership losses from Schedule 4 | 222 | |
| Loss from international banking centres | 223 | |
| Mandatory inventory adjustment - included in current year | 224 | |
| Mining royalties (provincial mining taxes) | 225 | |
| Non-deductible advertising | 226 | |
| Non-deductible interest | 227 | |
| Non-deductible legal and accounting fees | 228 | |
| Optional value of inventory - included in current year | 229 | |
| Other expenses from financial statements | 230 | |
| Recapture of SR&ED expenditures - Form T661 | 231 | |
| Resource amounts deducted | 232 | |
| Restricted farm losses - current year - Schedule 4 | 233 | |
| Sales tax assessments | 234 | |
| Share issue expense | 235 | |
| Write-down of capital property | 236 | |
| Amounts received in respect of qualifying environmental trust per paragraphs 12(1)(z.1) and 12(1)(z.2) | 237 | |
| Contractors' completion method adjustment: revenue net of costs on contracts under 2 years - previous year | 238 | |

**Other additions:**

| | | |
|---|---|---|
| 600 | | 290 |
| 601 | | 291 |
| 602 | | 292 |
| 603 | | 293 |
| 604 | | 294 |

Total of fields 201 to 294 (enter this amount at line 199 on page 1)

**Deduct:**

| | | |
|---|---|---|
| Accounts payable and accruals for cash basis - opening | 300 | |
| Accounts receivable and prepaid for cash basis - closing | 301 | |
| Accrual inventory - closing | 302 | |
| Accrued dividends - current year | 303 | |
| Bad debt | 304 | |
| Book income of joint venture or partnership | 305 | |
| Equity in income from subsidiaries or affiliates | 306 | |
| Exempt income under section 81 | 307 | |
| Income from international banking centres | 308 | |
| Mandatory inventory adjustment - included in prior year | 309 | |
| Contributions to qualifying environmental trust | 310 | |
| Non-Canadian advertising expenses - broadcasting | 311 | |
| Non-Canadian advertising expenses - printed materials | 312 | |
| Optional value of inventory - included in prior year | 313 | |
| Other income from financial statements | 314 | |
| Payments made for allocations in proportion to borrowing and bonus interest payment from Schedule 17 | 315 | |
| Contractors' completion method adjustment: revenue net of costs on contracts under 2 years - current year | 316 | |

**Resource deductions:**

| | | |
|---|---|---|
| Canadian development expenses from Schedule 12 | 340 | |
| Canadian exploration expenses from Schedule 12 | 341 | |
| Canadian oil and gas property expenses from Schedule 12 | 342 | |
| Deductible crown charges | 343 | |
| Depletion from Schedule 12 | 344 | |
| Foreign exploration and development expenses from Schedule 12 | 345 | |
| Resource allowance | 346 | |

**Other deductions:**

| | | |
|---|---|---|
| 700 | | 390 |
| 701 | | 391 |
| 702 | | 392 |
| 703 | | 393 |
| 704 | | 394 |

Total of fields 300 to 394 (enter this amount at line 499 on page 1)

Canada Customs and Revenue Agency

# CAPITAL COST ALLOWANCE (CCA)

**SCHEDULE 8 - Federal**

## (1998 and later taxation years)

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2003/12/31 |

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide.*

Is the corporation electing under regulation 1101(5g)? **101** 1 Yes ☐ 2 No ☒

| 1<br>Class no.<br>200 | Description | 2<br>Undepreciated capital cost at the beginning of the year (column 11 from last year's T2S(8))<br>201 | 3<br>Cost of acquisitions during the year (new property must be available for use)<br>See note 1 below<br>203 | 4<br>Adjustments (show negative amounts in brackets)<br>205 | 5<br>Proceeds of dispositions during the year (amount not to exceed the capital cost)<br>207 | 6<br>Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5) | 7<br>50% rule (deduct 1/2 the amount, if any, by which the net cost of acquisitions exceeds col. 5)<br>See note 2 below<br>211 | 8<br>Reduced undepreciated capital cost (column 6 minus column 7) | 9<br>CCA rate %<br>212 | 10<br>Capital cost allowance (column 8 mulitiplied by column 9; or a lower amount)<br>See note 3 below<br>217 | 11<br>Undepreciated capital cost at the end of the year (column 6 minus column 10)<br>220 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Buildings | 387,985 | 5,427 | | | 393,412 | 2,714 | 390,698 | 4.0 | 15,628 | 377,784 |
| 1 | | 6,320,288 | 98,243 | | | 6,418,531 | 49,122 | 6,369,409 | 4.0 | 254,776 | 6,163,755 |
| 8 | Equipment | 34,580 | | | | 34,580 | | 34,580 | 20.0 | 6,916 | 27,664 |
| 10 | Computer E | 32,133 | 36,128 | | | 68,261 | 18,064 | 50,197 | 30.0 | 15,059 | 53,202 |
| 8 | Equipment | 11,806 | | | | 11,806 | | 11,806 | 20.0 | 2,361 | 9,445 |
| 10 | | 283,444 | 331,551 | | 12,000 | 602,995 | 159,776 | 443,219 | 30.0 | 132,966 | 470,029 |
| 8 | Equipment | 712,754 | | | | 712,754 | | 712,754 | 20.0 | 142,551 | 570,203 |
| 8 | | 17,608 | | | | 17,608 | | 17,608 | 20.0 | 3,522 | 14,086 |
| | Total | 7,800,598 | 471,349 | | 12,000 | 8,259,947 | 229,676 | 8,030,271 | | 573,779 | 7,686,168 |

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).

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. See the T2 Guide for more information.

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

## CAPITAL COST ALLOWANCE (CCA) SCHEDULE 8SUM - Federal

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2003/12/31 |

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*

Is the corporation electing under regulation 1101(5g)? 1 Yes ☐ 2 No ☒

| 1 Class number **200** | 2 UCC start of year **201** | 3 Additions during the year **203** | 4 Net adjustments **205** | 5 Proceeds of dispositions **207** | 6 Adjusted UCC | 7 50% rule on net acquisitions **211** | 8 Reduced UCC |
|---|---|---|---|---|---|---|---|
| reg | 7,800,598 | 471,349 | | 12,000 | 8,259,947 | 229,676 | 8,030,271 |
| 10.1 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |

| | 10 Recapture of CCA **213** | 11 Terminal Loss loss **215** | 12 CCA **217** | 13 UCC at end of year **220** |
|---|---|---|---|---|
| reg | | | 573,779 | 7,686,168 |
| 10.1 | | | | |
| 13 | | | | |
| 14 | | | | |
| **Total** | | | 573,779 | |

| 1 Class number **200** | 2 UCC start of year **201** | 3 Additions during the year **203** | 4 Net adjustments **205** | 5 Proceeds of dispositions **207** | 6 Adjusted UCC | 7 50% rule on net acquisitions **211** | 8 Reduced UCC |
|---|---|---|---|---|---|---|---|
| 24 | | | | | | | |
| 27 | | | | | | | |
| 29 | | | | | | | |
| 34 | | | | | | | |
| Rental | | | | | | | |

| | 10 Recapture of CCA **213** | 11 Terminal Loss loss **215** | 12 CCA **217** | 13 UCC at end of year **220** |
|---|---|---|---|---|
| 24 | | | | |
| 27 | | | | |
| 29 | | | | |
| 34 | | | | |
| Rental | | | | |
| **Total** | | | | |

**Totals:**

| | | |
|---|---|---|
| Recapture | | (Schedule 1 Line 107) |
| Terminal loss | | (Schedule 1 Line 404) |
| CCA Claimed | 573,779 | (Schedule 1 Line 403) |



CT09

Canada Customs and Revenue Agency

# RELATED AND ASSOCIATED CORPORATIONS
## (1998 and later taxation years)

**SCHEDULE 9**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2003/12/31 |

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

| Name<br>100 | Country of residence (other than Canada)<br>200 | Business number (Note 1)<br>300 | Relationship code (Note 2)<br>400 | No. of common shares owned<br>500 | % of common shares owned<br>550 | Number of pfd shares owned<br>600 | % of pfd shares owned<br>650 | Book value of capital stock<br>700 |
|---|---|---|---|---|---|---|---|---|
| Gravenhurst Energy S | | 864230792 | 3 | | | | | |
| Gravenhurst Power In | | 864230990 | 1 | | | | | |
| | | | | | | | | |
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| | | | | | | | | |
| | | | | | | | | |

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.

Canada Customs and Revenue Agency

# CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

**SCHEDULE 10**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2003/12/31 |

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide.*
- A separate cumulative eligible capital account must be kept for each business.
- This form applies to taxation years that end after February 27, 2000.

## PART 1 - CALCULATION OF CURRENT YEAR DEDUCTION AND CARRY-FORWARD

| | | | | |
|---|---|---|---|---|
| Cumulative eligible capital - balance at end of preceding taxation year (if negative, enter "0") | | | 200 321,418 | A |
| **Add:** | | | | |
| Cost of eligible capital property acquired during the taxation year | 222 | | | B |
| Amount transferred on amalgamation or wind-up of subsidiary | 224 | | | C |
| Other adjustments | 226 | | | D |
| (Add amounts B, C, and D) | | x 3/4 = | | E |
| **Subtotal** (amount A plus amount E) | | | 230 321,418 | F |
| **Deduct:** | | | | |
| Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year | 242 | | | G |
| The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) | 244 | | | H |
| Other adjustments | 246 | | | I |
| (Add amounts G, H, and I) | | x 3/4 = | 248 | J |
| **Cumulative eligible capital balance** (amount F minus amount J) | | | 321,418 | K |
| (if amount K is negative, enter "0" at line M and proceed to Part 2) | | | | |
| **Current year deduction** amount K 321,418 | | x 7% = | 250 22,499 | L |
| (deduct amount L at line 405 of Schedule 1) | | | | |
| **Cumulative eligible capital - closing balance** | | | 300 298,919 | M |
| (amount K minus amount L) (if negative, enter "0") | | | | |

**Note**

You can claim any amount up to the maximum deduction of 7%. For taxation years starting after December 21, 2000, the deduction may not exceed the maximun amount proprated by the number of days in the taxation year divided by 365.

## PART 2 - AMOUNT TO BE INCLUDED IN INCOME ARISING FROM DISPOSITION

(Complete this part only if the amount at line K is negative)

| | | | | |
|---|---|---|---|---|
| Amount from line K above (show as a positive amount) | | | | N |
| Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 | 400 | | 1 | |
| Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7) | 401 | | 2 | |
| Total of cumulative eligible capital deductions claimed for taxation years commencing before July 1, 1988 | 402 | | 3 | |
| Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 | 408 | | 4 | |
| Line 3 **minus** line 4 | | | 5 | |
| Total of line 1, 2, and 5 | | | 6 | |
| Line T from Schedule 10 of previous taxation years ending after February 27, 2000 | 409 | | 7 | |
| Line 6 **minus** line 7 | | | | O |
| Line N **minus** line O (cannot be negative) | | | | P |
| Amount on line 5 x 1/2 | | | | Q |
| Line P **minus** line Q | | | | R |
| Amount on line R x 2/3 * | | | | S |
| Lesser of line N or line O | | | | T |
| Amount to be included in income on line 108 of Schedule 1, line S **plus** line T | | | 410 | |

* For taxation years ending after February 27, 2000 and before October 18, 2000, use the fraction 8/9 to calculate line S.
For taxation years ending before February 28, 2000, no reduction can be claimed, use the fraction 1/1 to calculate line S.

Canada Customs and Revenue Agency

**SCHEDULE 23**
code 0301

# AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2003/12/31 |

- 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.

## 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 2003

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 Yes ☐ No ☒

| 1 Names of associated corporations 100 | 2 Business Number of associated corporations 200 | 3 Ass'n code 300 | 4 Business limit for the year (before the allocation) $ | 5 Percentage of the business limit % 350 | 6 Business limit allocated * $ 400 | 7 Taxation year end to which this agreement applies (YYYY/MM/DD) 500 | 8 Gross Part I.3 tax for preceding taxation year | 9 Taxable income of preceding taxation year |
|---|---|---|---|---|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 | 1 | 225,000 | 100.00 | 225,000 | | | 249,333 |
| Gravenhurst Energy Service | 864230792 | 1 | | | | | 90 | |
| Gravenhurst Power Inc. | 864230990 | 1 | | | | | | |
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| | | | | | | | | |
| Totals | | | | | 225,000 | A | 90 | 249,333 |
| If the taxation year of the corporation is less than 51 weeks enter the prorated business limit in this box | | | | | 225,000 | | | |



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Canada Customs and Revenue Agency

**SCHEDULE 36**

# AGREEMENT AMONG RELATED CORPORATIONS - PART 1.3 TAX
## (1998 and later taxation years)

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2003/12/31 |

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000** among the members of the related group. **Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending 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.
- Attach additional schedules if space for agreement is not sufficient.

### Agreement

Date filed (for departmental use only) ..... 010 Year Month Day

Is this an amended agreement? ..... 020 1 Yes ☐ 2 No ☒

Enter the calendar year to which the agreement applies ..... 030 Year 2003

**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 which is exempt from Part 1.3 tax under subsection 181.1(3) is not required to be included.

| | Names of all corporations which are members of the related group<br>200 | Business Number (if a corporation is not registered, enter 'NR')<br>300 | Allocation of capital deduction for the year $<br>400 | Taxation year to which this agreement applies* (YYYY /MM /DD)<br>500 |
|---|---|---|---|---|
| 1. | Gravenhurst Hydro Electric Inc. | 891085615 | 9,568,431 | |
| 2. | Gravenhurst Power Inc. | 864230990 | | |
| 3. | Gravenhurst Energy Services Inc. | 864230792 | 431,569 | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. | | | | |
| 13. | | | | |
| | Total (not to exceed $10,000,000**) | | 10,000,000 | |

* 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.

** $50,000,000 for taxation years ending after 2003.

Canada Customs and Revenue Agency

**SCHEDULE 37**
**Code 0101**

# CALCULATION OF UNUSED SURTAX CREDIT

| Name of Corporation | Business Number | Taxation Year End | Year | Month | Day |
|---|---|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2003 | 12 | 31 |

- Use this schedule to calculate a corporation's unused surtax credit.
- You should also use this schedule to request a carryback of unused surtax credit. This request should be filed by the required filing date of the T2 return for the year in which the surtax credit arose.
- Any unused surtax credit can be carried back three years and carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the *Income Tax 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.
- Attach this schedule to the T2 return or mail it separately to the tax centre where the return is filed.

## Part 1 - Calculation of closing balance of unused surtax credit

| | | | |
|---|---|---|---|
| Unused surtax credit at the end of the preceding taxation year | | | 2,793 |
| **Deduct:** Unused surtax credit expired after seven taxation years | 115 | | |
| Unused surtax credit at beginning of taxation year | 120 | 2,793 | |
| **Add:** Unused surtax credit transferred on amalgamation or wind-up of subsidiary | 220 | | |
| Subtotal | | | 2,793 A |
| **Deduct:** Amount of unused surtax credit carried forward from previous years and applied to reduce Part I.3 tax payable in the current year (see line 862 of Schedule 33, line 862 of Schedule 34, or line 862 of Schedule 35, whichever applies) | 320 | | |
| Unused surtax credit balance | | | 2,793 |
| **Deduct:** Amount of unused surtax credit carried forward from previous years and applied to reduce Part VI tax payable in the current year (see line 887 of Schedule 38) | 420 | | |
| Subtotal | | | 2,793 |
| **Add:** Current year unused surtax credit (enter amount from line 850 of Schedule 33, line 850 of Schedule 34, or line 850 of Schedule 35) | 600 | 10,616 | |
| Subtotal | | | 13,409 |
| **Deduct:** Unused surtax credit carried back to preceding taxation year(s) (complete Part 2 below) | | | B |
| **Closing balance of unused surtax credit** | 820 | | 13,409 |

## Part 2 - Request for carryback of unused surtax credit

| | Year | Month | Day |
|---|---|---|---|
| 1st preceding taxation year | 2002 | 12 | 31 |
| 2nd preceding taxation year | 2001 | 12 | 31 |
| 3rd preceding taxation year | 2000 | 12 | 31 |

| | | Part 1.3 Tax | | Part VI Tax | |
|---|---|---|---|---|---|
| Credit to be applied | 901 | | 911 | | |
| Credit to be applied | 902 | | 912 | | |
| Credit to be applied | 903 | | 913 | | |
| Subtotal | | | C | | D |

**Total of C and D** (enter this amount at line B in Part 1 above)

Canada Customs and Revenue Agency

# SHAREHOLDER INFORMATION

**SCHEDULE 50**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2003/12/31 |

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<br>**100** | Business number<br>**200** | Social insurance number<br>**300** | Percentage common shares<br>**400** | Percentage preferred shares<br>**500** |
|---|---|---|---|---|
| Gravenhurst Power Inc. | 864230990 | | 100.0 | |
| | | | | |
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CT09

Ontario

**Ministry of Finance** **2003**

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

CLIENT'S COPY

# 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 purpose, 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 the MCBS Schedules 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)* ☒ Yes ☐ No



Corporation's Legal Name (*including punctuation*)
Gravenhurst Hydro Electric Inc.

Ontario Corporations Tax Account No. (MOF)
7317703

This CT23 return covers the Taxation Year

Start: year month day 2003/01/01

End: year month day 2003/12/31

Mailing Address
P.O. Box 250

Gravenhurst ON
P1P1T6 CA

Has the mailing address changed since last filed CT23 return? ☐ Yes | Date of Change: _____

Date of Incorporation or Amalgamation
year month day 2000/10/25

Registered/Head Office Address
195 Progress Drive
P.O. Box 250
Gravenhurst ON
P1P1T6 CA

Ontario Corporation No. (MCBS) 1446745

Location of Books and Records
195 Progress Drive
P.O. Box 250
Gravenhurst ON
P1P1T6 CA

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter
891085615 **RC** 0001

Name of person to contact regarding this CT23 Return: George McEachern
Telephone No.: 705-687-2321
Fax No.: 705-687-6721

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario (*Extra-Provincial Corporations only*) (MCBS)

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:

Commenced: year month day

Ceased: year month day

Former Corporation Name (*Extra-Provincial Corporations only*) ☒ ***Not Applicable*** (MCBS)

☒ **Not Applicable**

Preferred Language / *Langue de preference:*
☒ English anglais ☐ French francais

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 Schedules

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check ☒ 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*)

George McEachern

**Title:** **D** ☐ Director **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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

# 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) 100 ●%

2 [2]

| | | | |
|---|---|---|---|
| 1 [ ] | Family Farm Corporation s.1(2) | 12 [ ] | Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b) |
| 2 [ ] | Family Fishing Corporation s.1(2) | 14 [ ] | Bare Trustee Corporation |
| 3 [ ] | Mortgage Investment Corp. s.47 | 15 [ ] | Branch of Non-resident s.63(1) |
| 4 [ ] | Credit Union s.51 | 16 [ ] | Financial institutions prescribed by Regulation only |
| 5 [ ] | Bank Mortgage Subsidiary s.61(4) | 17 [ ] | Investment Dealer |
| 6 [ ] | Bank s.1(2) | 18 [ ] | Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale |
| 7 [ ] | Loan and Trust Corporation s.61(4) | 19 [X] | Hydro successor, Municipal Electrical Utility or subsidiary of either |
| 8 [ ] | Non-resident Corporation s.2(2)(a) or (b) | 20 [ ] | Producer and seller of steam for uses other than for the generation of electricity |
| 9 [ ] | Non-resident Corporation s.2(2)(c) | 21 [ ] | Insurance Exchange s.74.4 |
| 10 [ ] | Mutual Fund Corporation s.48 | 22 [ ] | Farm Feeder Finance Co-operative Corporation |
| 11 [ ] | Non-resident owned investment Corporation s.49 | 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:
Hydro Electric services

**Please check (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)(Int. B. 3008).

*DOLLARS ONLY*

| | | | | |
|---|---|---|---|---|
| Net income (loss) for Ontario purposes (per reconciliation schedule, page 15) | ± | From 690 | 947,825 |
| 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 T2 SCH 3 | − | 3 | |
| Subtract: Ontario political contributions *(Attach schedule 2A)*(Int.B.3002) | − | 4 | |
| Subtract: Federal Part VI.1 tax _____ X 9/4 | − | 5 | |
| Subtract: Prior years' losses applied - | | | |
| Non-capital losses | − | From 704 | |
| Net capital losses From 715 (page 16) _____ X inclusion rate _____ % | − | 714 | |
| Farm losses | − | From 724 | |
| Restricted farm losses | − | From 734 | |
| Limited partnership losses | − | From 754 | |
| **Taxable income (Non-capital loss)** | = | 10 | 947,825 |
| 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 | 947,825 |

**Taxable Income**

| From 10 (or 20 if applicable) | Ontario Allocation | | Number of Days in Taxation Year | | |
|---|---|---|---|---|---|
| 947,825 X 30 | 100.0000 | % X 12.5% X | Days after Sept 30, 2001 and before Jan 1, 2004: 33 365 ÷ Total Days 73 365 | = + 29 | 118,478 |
| 947,825 X 30 | 100.0000 | % X 11.0% X | Days after Dec 31, 2003 and before Jan 1, 2005: 34 ÷ Total Days 73 365 | = + 32 | |

**Income Tax Payable** (before deduction of tax credits) 29 + 32 = 40 **118,478**

## Incentive Deduction for Small Business Corporations (IDSBC) (s.41) ( If this section is not completed, 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) [X] Yes [ ] No

| | | | |
|---|---|---|---|
| Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) | | 50 | 947,825 |
| Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) | + 51 | 947,825 | |
| 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 | | |
| | = | 947,825 ▶ 54 | 947,825 |
| Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding $200,000) | + 55 | 200,000 | |
| Add: Ontario enhancement of federal business limit | | | |

**Number of Days in Taxation Year**

| | | | |
|---|---|---|---|
| 80,000 X | Days after Sept 30, 2001 and before Jan 1, 2003: 28 ÷ Total Days 73 365 | | |
| X From | 55 200,000 ÷ 200,000 | = + 43 | |
| 120,000 X | Days after Dec 31, 2002 and before Jan 1, 2004: 31 365 ÷ Total Days 73 365 | | |
| X From | 55 200,000 ÷ 200,000 | = + 46 | 120,000 |
| 160,000 X | Days after Dec 31, 2003 and before Jan 1, 2005: 34 ÷ Total Days 73 365 | | |
| X From | 55 200,000 ÷ 200,000 | = + 47 | |

| | | | |
|---|---|---|---|
| Ontario enhancement of federal business limit 43 + 46 + 47 | = | 120,000 ▶ + 44 | 120,000 |
| **Business Limit for Ontario purposes** 55 + 44 | = | 320,000 | 45 320,000 |
| **Income eligible for the IDSBC** From 30 100.0000 % X | 56 | 320,000 | = 60 320,000 |

* Ontario Allocation — 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**

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

DOLLARS ONLY

## Income Tax *continued from Page 4*

**Calculation of IDSBC Rate**

**Number of Days in Taxation Year**

6.5% X Days after Sept 30, 2001 and before Jan 1, 2003 [28] ÷ Total days [73] 365 = + [79]

7.0% X Days after Dec 31, 2002 and before Jan 1, 2004 [31] 365 ÷ Total days [73] 365 = + [89] 7.0000

6.0% X Days after Dec 31, 2003 and before Jan 1, 2005 [34] ÷ Total days [73] 365 = + [90]

IDSBC Rate for Taxation Year [79] + [89] + [90] = [78] 7.0000

Claim From [60] 320,000 • X From [78] 7.0000 % = [70] 22,400 •

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] 947,825 •

***If you are a member of an associated group*** **(X)** [81] X (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 of Taxable Income [80] + [82] + [83] + [84], etc = [85] 947,825 •

**Number of Days in Taxation Year**

Subtract: 280,000 X Days after Sept 30, 2001 and before Jan 1, 2003 [28] ÷ Total days [73] 365 = + [113]

320,000 X Days after Dec 31, 2002 and before Jan 1, 2004 [31] 365 ÷ Total days [73] 365 = + [115] 320,000 •

360,000 X Days after Dec 31, 2003 and before Jan 1, 2005 [34] ÷ Total days [73] 365 = + [116]

+ [113] + [115] + [116] = 320,000 • ▶ − [114] 320,000 •

(If negative, enter nil) = [86] 627,825 •

**Number of Days in Taxation Year**

4.333% X Days after Sept 30, 2001 and before Jan 1, 2003 [28] ÷ Total days [73] 365 = + [95]

4.667% X Days after Dec 31, 2002 and before Jan 1, 2004 [31] 365 ÷ Total days [73] 365 = + [96] 4.6670

4.000% X Days after Dec 31, 2003 and before Jan 1, 2005 [34] ÷ Total days [73] 365 = + [97]

Specified rate of surtax for Taxation Year [95] + [96] + [97] = [94] 4.6670

From [86] 627,825 • X From [94] 4.6670 % = [87] 29,301 •

From [87] 29,301 • X From [60] 320,000 • ÷ From [114] 320,000 • = [88] 29,301 •

**Surtax** Lesser of [70] or [88] = [100] 22,400

*continued on Page 6*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

DOLLARS ONLY

## Income Tax *continued from Page 5*

**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] 320,000

Add: Adjustment for Surtax on Canadian-controlled private corporations

From [100] 22,400 ÷ From [30] 100.0000 % ÷ From [78] 7.0000 % = [121] 320,000

*Ontario Allocation

Lesser of [56] or [121] - - - - - - - - - - - - - - - - - - - - - - - - + [122] 320,000

[120] − [56] + [122] - - - - - - - - - - - - - - - - - - - - - - - - = [130]

**Taxable Income** - - - - - - - - - - - - - - - - - - - - - - - - + From [10] 947,825

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - − From [56] 320,000

Add: Adjustment for Surtax on Canadian-controlled private corporations - - - - - - - - - - - - + From [122] 320,000

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] 947,825

**Number of Days in Taxation Year**

Claim [143] Lesser of [130] or [142] _____ **X** From [30] 100.0000 % *Ontario Allocation X 1.5% X

| Days after Sept 30, 2001 and before Jan 1, 2004 | | Total days | |
|---|---|---|---|
| [33] 365 | ÷ | [73] 365 | = + [154] |

Claim [143] Lesser of [130] or [142] _____ **X** From [30] 100.0000 % *Ontario Allocation X 1.0% X

| Days after Dec 31, 2003 and before Jan 1, 2005 | | Total days | |
|---|---|---|---|
| [34] | ÷ | [73] 365 | = + [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 (Inf.B.3001)*(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] _____

**Sub-total of Income Tax** [40] − [70] + [100] − [110] − [160] − [161] − [162] − [170] − [180] - - - - = [190] 118,478

*continued on page 7*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

## Income Tax *continued from Page 6*

*DOLLARS ONLY*

### 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 _____

**Co-operative Education Tax Credit (CETC) (s.43.4)** ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F - - - - - - - - - - - - - - - - - - - - - - - - + 192 _____

**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 _____

**Graduate Transitions Tax Credit (GTTC)(s.43.6)** No. of Graduates From 6596
***Applies*** to employment of eligible unemployed post secondary graduate. 194 _____
Eligible Credit From 6598 Summary Schedule G - - - - - - - - - - - - - - - - - - - - + 195 _____

**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* ***both*** *the original Claim Form and the Certification Form)* - - - + 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 Claim Form Certified by Ontario Film Development Corporation
*(Attach the original Claim/Certification Form with the CT23 Tax Return.)* - - - - - - - - - - - - - - - - + 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 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 _____

**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 _____

**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 _____

**Total Specified Tax Credits** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 = 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) - - - = 230 118,478

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.***

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

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# 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] 10,254,135.

*** Total Revenue of the corporation** + [241] 3,548,501.

***If you are a member of an associated group*** **(x)** [242] [X] (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 |
|---|---|---|---|---|
| See attached schedule | | | + [243] 2,945,943. | + [244] 134,325. |
| | | | + [245] | + [246] |
| | | | + [247] | + [248] |

Aggregate Total Assets [240] + [243] + [245] + [247], etc = [249] 13,200,078.

Aggregate Total Revenue [241] + [244] + [246] + [248], etc = [250] 3,682,826.

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] 1,086,623. (if negative, enter zero) X From [30] 100.0000 (Ontario Allocation) % X 4% = [276] 43,465.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)* - [277]

Subtract: Income Tax - From [190] 118,478.

**Net CMT Payable** (if negative, enter Nil on Page 17.) = [280] -75,013.

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]

## Application of CMT Credit Carryovers

**A.** Income Tax (before deduction of specified credits) + From [190] 118,478.

Gross CMT Payable + From [276] 43,465.

Subtract: Foreign Tax Credit for CMT purposes - From [277]

If [276] - [277] is negative, enter NIL in [290] = 43,465. ▶ - - [290] 43,465.

**Income Tax eligible for CMT Credit** = [300] 75,013.

**B.** Income Tax (after deduction of specified credits) + From [230] 118,478.

Subtract: CMT credit used to reduce income taxes - [310]

**Income Tax** = [320] 118,478.

*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].

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

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## 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 on or 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 | 2,085,925 |
| Retained earnings (if deficit, deduct)(Int.B. 3012) | ± | 351 | 1,280,812 |
| Capital and other surpluses, excluding appraisal surplus (Int.B.3012) | + | 352 | |
| Loans and advances *(Attach schedule)(Int.B.3013)* | + | 353 | 176,337 |
| Bank loans (Int.B.3013) | + | 354 | |
| Bankers acceptances (Int.B.3013) | + | 355 | |
| Bonds and debentures payable (Int.B.3013) | + | 356 | |
| Mortgages payable (Int.B.3013) | + | 357 | |
| Lien notes payable (Int.B.3013) | + | 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.3013) | + | 359 | |
| Contingent, investment, inventory and similar reserves (Int.B.3012) | + | 360 | |
| Other reserves not allowed as deductions for income tax purposes *(Attach schedule)*(Int.B.3012) | + | 361 | |
| Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))(Int.B.3017)* | + | 362 | |
| **Subtotal** | = | 370 | 3,543,074 |
| Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)(Int.B.3012)* | − | 371 | |
| Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes(Int.B.3015) | − | 372 | |
| **Total Paid-up Capital** | = | 380 | 3,543,074 |
| Subtract: Deferred mining exploration and development expenses (s.62(1)(d))(Int.B.3015) | − | 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 | 3,543,074 |

### 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, 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*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

DOLLARS ONLY

## Capital Tax *continued from Page 9*

### Total Assets (Int.B.3015)

| | | |
|---|---|---|
| Total Assets per balance sheet | + 420 | 10,254,135 |
| 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 | 10,254,135 |
| 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 | 10,254,135 |

**Investment Allowance** ( 410 ÷ 450 ) X 390 — **Not to exceed** 410 = 460

**Taxable Capital** 390 - 460 = 470 3,543,074

**Gross Revenue** (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)- 480 3,548,501

**Total Assets** (as adjusted) From 430 10,254,135

## 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 3,543,074

5,000,000

= 471 _____ **X** From 30 100.0000 % (Ontario Allocation) X 0.3% X 555 ____ (Days in taxation year **365 (366 if leap year)) -- =+ 523 _____

*Transfer to 543 on page 12 and complete the return from that point*

***** If floating taxation year, refer to Guide.***

*continued on Page 11*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

DOLLARS ONLY

## Capital Tax Calculation *continued from page 10*

## SECTION C

**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 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 permanant 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 Corporation Tax Act, whereby total assets are used to allocate the taxable capital exemption amoung 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 assets formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporation 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 3,543,074

***Determine aggregate taxable capital of an associated (excluding financial institutions and corporations exempt from capital tax)*group 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 |
|---|---|---|---|---|
| See schedule CT21 | | | + 531 | 453,360 |
| | | | + 532 | |
| | | | + 533 | |

Aggregate Taxable Capital 470 + 531 + 532 + 533, etc - - - - - - - - - - - - - - - - - - = 540 3,996,434

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 3,543,074 ÷ From 540 3,996,434 X 5,000,000 - - - - - = 541 4,432,794

*Transfer to* 542 *in Section D on page 12*

**Ss.69(2.1) Election filed**

☐ 591 (X if applicable) **Election filed.** *Atach a copy of the election with this CT23 Return.* Process 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 AGGREGATE taxable capital, 540 *on page 11, exceeds $5,000,000.***

Complete the following calculations and transfer the amount From 523 to 543 and complete the return from that point.

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| + From | 470 | 3,543,074 | | | | | | | | **Total Capital Tax for the taxation year** |
| − | 542 | 4,432,794 | | | | | Days in taxation year | | | |
| = | 471 | | X From | 30 | 100.0000 | % X 0.3% X | 555 | 365 | =+ | 523 |
| | | | | | Ontario Allocation | | **365 (366 if leap 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 | 3,543,074 | X From | 30 | 100.0000 | % X 0.3% - - - - - = + | | 561 | |
| | | | | | Ontario Allocation | | | | |
| - Capital tax deduction From 995 relating to *your corporation*'s capital tax deduction on ss.69(2.1) election form. | | | | | | | - From | 995 | |
| | | | | | | | = | 562 | |
| **Capital tax** - - - - - - - - - - - - - - - - - - - - | 562 | | X | | | | Days in taxation year 555 365 | = | 563 |
| | | | | | | | **365 (366 if leap 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 |
| Substract: 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*

## 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 _____ X 0.6% X From 30 100.0000 % X (Days in taxation year) 555 365 ÷ **365 (366 if leap year) = + 569 _____

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation

570 _____ X 571 _____ % X From 30 100.0000 % X (Days in taxation year) 555 365 ÷ **365 (366 if leap year) = + 574 _____

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation

**Capital Tax for Financial Institutions - other than Credit Unions (before Section II)** 569 + 574 - - - - - - = 575 _____

**** 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 - - - - - -

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

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 SCH 1** ± 600 947.825

*Transfer to Page 15*

**Add:**

| | | |
|---|---|---|
| Federal capital cost allowance | + 601 | 573.779 |
| Federal cumulative eligible capital deduction | + 602 | 22.499 |
| 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 | + 609 | |
| Federal depletion allowance | + 610 | |
| Federal foreign exploration and development expenses | + 611 | |

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 Sept. 30,2001 and before Jan. 1,2004: 33 365 ÷ Total Days: 73 365) = + 633 _____

612 _____ X 5/11.0 x (Days after Dec. 31,2003 and before Jan. 1,2005: 34 _____ ÷ Total Days: 73 365) = + 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 + 613 + 615 + 616 + 620 + 614 = 596.278 = 640 596.278

*Transfer to Page 15*

**Deduct:**

| | | |
|---|---|---|
| Ontario capital cost allowance(excluded amounts deducted under 675 ) | + 650 | 573.779 |
| Ontario cumulative eligible capital deduction | + 651 | 22.499 |
| 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 | + 659 | |
| Ontario current cost adjustment *(Attach schedule)* | + 661 | |
| Incentive for new electricity supply (section 13.6 deduction from income) (***Applies*** only to electrical generating corporations.) | + 674 | |
| CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable ressources. | + 675 | |

**Subtotal of deductions for this page** 650 to 659 + 661 + 674 + 675 = 681 596.278

*Transfer to Page 15*

*continued on Page 15*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

DOLLARS ONLY

## 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] 947.825

**Total of Additions** - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - From = [640] 596.278

**Sub Total of deductions on page 14** - - - - - - - - - - - - - - - - - From = [681]

**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] ____ Gross-up of CCA X 100 / From [30] 100.0000 Ontario Allocation — From [662] ____ = [663]

**Workplace Child Care Tax Incentive**

Qualifying expenditures: [665] ____ X 30% X 100 / From [30] 100.0000 Ontario Allocation = [666]

**Workplace Accessibility Tax Incentive**

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:** (***Applies*** to qualifying amounts incurred after May 2, 2000.)

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 in line 454 of federal form T661** - - - - - - - - - - - - - - - - - - - - + [677]

**Total of other deductions** allowed by Ontario *(Attach schedule)* - - - - - - - - + [664]

**Total of Deductions**

[681] + [663] + [666] + [668] + [671] + [673] + [678] + [679] + [677] + [664] - - - - - = 596.278 ▶ [680] 596.278

**Net income (loss) for Ontario purposes** [600] + [640] − [680] - - - - - - - - - - - - = [690] 947.825

*Transfer to Page 4*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

DOLLARS ONLY

## 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) | 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) | 715 (2)(4) | 724 | 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) <NIL> | 719 <NIL> | 729 <NIL> | 739 | 749 <NIL> | 759 <NIL> |

**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) 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 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 1994/12/31 | | | | 850 | 870 |
| 801 1995/12/31 | | | | 851 | 871 |
| 802 1996/12/31 | | | | 852 | 872 |
| 803 1997/12/31 | 820 | 830 | 840 | 853 | 873 |
| 804 1998/12/31 | 821 | 831 | 841 | 854 | 874 |
| 805 1999/12/31 | 822 | 832 | 842 | 855 | 875 |
| 806 2000/12/31 | 823 | 833 | 843 | 856 | 876 |
| 807 2001/12/31 | 824 | 834 | 844 | 857 | 877 |
| 808 2002/12/31 | 825 | 835 | 845 | 858 | 878 |
| 809 2003/12/31 | 826 | 836 | 846 | 859 | 879 |
| **Total** | 829 <NIL> | 839 <NIL> | 849 <NIL> | 869 <NIL> | 889 |

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

DOLLARS ONLY

## 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<br>Predecessor Ontario Corporations's Tax Account No. (MOF) / Taxation Year Ending YYYY MM DD | | | | |
| i) 3rd preceding _____ 901 2000/12/31 | 911 | 921 | 931 | 941 |
| ii) 2nd preceding _____ 902 2001/12/31 | 912 | 922 | 932 | 942 |
| iii) 1st preceding _____ 903 2002/12/31 | 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 | 118,478 | |
| **Corporate Minimum Tax** + From | 280 | | |
| **Capital Tax** + From | 550 | | |
| **Premium Tax** + From | 590 | | |
| **Total Tax Payable** = | 950 | 118,478 | |
| **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 | | |
| **Balance** = | 970 | 118,478 | |
| **If payment due** Enclosed* | 990 | 118,478 | |
| **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)

George McEachern

Title

President

Full Residence Address

195 Progress Drive

Gravenhurst ON
P1P1X4 CA

Signature

Date

08/04/2004

***Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.***

# Corporate Minimum Tax - Schedule A: Calculation of CMT Base

DOLLARS ONLY

**Banks** - Net Income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

| | | | |
|---|---|---|---|
| Net Income/Loss (unconsolidated, determined in accordance with GAAP) | | ± 2100 | 1,025,144 |
| **Subtract (to the extent reflected in net income/loss):** | | | |
| Provision for recovery of income taxes / benefit of current incomes taxes | + 2101 | | |
| Provision for deferred income taxes (credits) / bebefit of future incomes taxes | + 2102 | | |
| Equity income from corporations | + 2103 | | |
| Share of partnership(s)/joint venture(s) income | + 2104 | | |
| Dividends received/receivable deductible under fed.s.112 | + 2105 | | |
| Dividends received/receivable deductible under fed.s.113 | + 2106 | | |
| Dividends received/receivable deductible fed.s.83(2) | + 2107 | | |
| Federal Part VI.1 tax paid on dividends declared and paid under fed.s.191.1(1) _____ X 9/4 | + 2108 | | |
| **Subtotal** | = | ▶ 2109 | |
| **Add (to extent reflected in net income/loss):** | | | |
| Provision for current taxes / cost of current incomes taxes | + 2110 | 61,479 | |
| Provision for deferred income taxes / cost of future incomes taxes (debits) | + 2111 | | |
| Equity losses from corporations | + 2112 | | |
| Share of partnership(s)/joint venture(s) losses | + 2113 | | |
| Dividends that have been deducted to arrive at net income per Financial Statements. s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) | + 2114 | | |
| **Subtotal** | = 61,479 | ▶ + 2115 | 61,479 |
| **Add/Subtract:** | | | |
| Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years | | | |
| ** Fed. s.85 | + 2116 | or - 2117 | |
| ** Fed. s.85.1 | + 2118 | or - 2119 | |
| ** Fed. s.97 | + 2120 | or - 2121 | |
| ** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years | + 2122 | or - 2123 | |
| ** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years | + 2124 | or - 2125 | |
| ** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years | + 2126 | or - 2127 | |
| Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income | - 2150 | | |
| **Subtotal (Additions)** | = ▶ | + 2128 | |
| **Subtotal (Subtractions)** | = | ▶ 2129 | |
| ** Other adjustments | | ± 2130 | |
| **Subtotal** ± 2100 − 2109 + 2115 + 2128 − 2129 ± 2130 | | = 2131 | 1,086,623 |
| ** Share of partnership(s)/joint venture(s) **adjusted** net income/loss | | ± 2132 | |
| **Adjusted net income (loss)** (if loss, transfer to 2202 in ***Schedule B: Continuity of CMT Losses Carried Forward, Page 19***) | | = 2133 | 1,086,623 |
| Deduct * CMT losses: pre-1994 Loss | + From 2210 | | |
| * CMT losses: other eligible losses | + From 2211 | | |
| | = | ▶ 2134 | |

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this tax return.*

**CMT Base** = 2135 1,086,623

*Transfer to CMT Base, Page 8*

# 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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 1446745 | 2000/10/25 |

## Director/Officer Information

Full Name and Address for Service:

| Last Name | First Name | Middle Name(s) |
|---|---|---|
| McEachern | George | |

Street Number and Name: R.R. #2 — Suite:

| City/Town/Village | Province/State | Country | Postal/Zip Code |
|---|---|---|---|
| Washago | ON | | L0K 2B0 |

**Director**

Are you a Resident Canadian? *(Applies to directors of business corporations only)*

[X] Yes [ ] No

Date Elected year month day: 2000/10/25

Date Ceased year month day:

**Officer**

Indicate the appointment period for each of the following:

| | Date Appointed Year Month Day | Date Ceased Year Month Day |
|---|---|---|
| **President** | 2000/10/25 | |
| **Secretary** | 2000/10/25 | |
| **Treasurer** | 2000/10/25 | |
| **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) |
|---|---|---|
| O"Hallarn | Brian | |

Street Number and Name: 155 Robinson Avenue — Suite:

| City/Town/Village | Province/State | Country | Postal/Zip Code |
|---|---|---|---|
| Gravenhurst | ON | | P1P 1R5 |

**Director**

Are you a Resident Canadian? *(Applies to directors of business corporations only)*

[X] Yes [ ] No

Date Elected year month day: 2000/10/25

Date Ceased year month day:

**Officer**

Indicate the appointment period for each of the following:

| | Date Appointed Year Month Day | Date Ceased Year Month Day |
|---|---|---|
| **President** | | |
| **Secretary** | | |
| **Treasurer** | | |
| **General Manager** | | |
| **Other** *(specify)* | | |

Other Titles *(please specify)*:

- [X] 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.**

# CAPITAL COST ALLOWANCE (CCA) — SCHEDULE 8 - Ontario

## (1998 and later taxation years)

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | | 2003/12/31 |

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide.*

Is the corporation electing under regulation 1101(5g)? **101** 1 Yes ☐ 2 No ☒

| 1<br>Class no.<br>200 | Description | 2<br>Undepreciated capital cost at the beginning of the year (column 11 from last year's T2S(8))<br>201 | 3<br>Cost of acquisitions during the year (new property must be available for use)<br>See note 1 below<br>203 | 4<br>Adjustments (show negative amounts in brackets)<br>205 | 5<br>Proceeds of dispositions during the year (amount not to exceed the capital cost)<br>207 | 6<br>Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5) | 7<br>50% rule (deduct 1/2 the amount, if any, by which the net cost of acquisitions exceeds col. 5)<br>See note 2 below<br>211 | 8<br>Reduced undepreciated capital cost (column 6 minus column 7) | 9<br>CCA rate %<br>212 | 10<br>Capital cost allowance (column 8 mulitiplied by column 9; or a lower amount)<br>See note 3 below<br>217 | 11<br>Undepreciated capital cost at the end of the year (column 6 minus column 10)<br>220 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Buildings | 387,985 | 5,427 | | | 393,412 | 2,714 | 390,698 | 4.0 | 15,628 | 377,784 |
| 1 | | 6,320,288 | 98,243 | | | 6,418,531 | 49,122 | 6,369,409 | 4.0 | 254,776 | 6,163,755 |
| 8 | Equipment | 34,580 | | | | 34,580 | | 34,580 | 20.0 | 6,916 | 27,664 |
| 10 | Computer E | 32,133 | 36,128 | | | 68,261 | 18,064 | 50,197 | 30.0 | 15,059 | 53,202 |
| 8 | Equipment | 11,806 | | | | 11,806 | | 11,806 | 20.0 | 2,361 | 9,445 |
| 10 | | 283,444 | 331,551 | | 12,000 | 602,995 | 159,776 | 443,219 | 30.0 | 132,966 | 470,029 |
| 8 | Equipment | 712,754 | | | | 712,754 | | 712,754 | 20.0 | 142,551 | 570,203 |
| 8 | | 17,608 | | | | 17,608 | | 17,608 | 20.0 | 3,522 | 14,086 |
| | Total | 7,800,598 | 471,349 | | 12,000 | 8,259,947 | 229,676 | 8,030,271 | | 573,779 | 7,686,168 |

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).

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. See the T2 Guide for more information.

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

# CAPITAL COST ALLOWANCE (CCA)

**SCHEDULE 8SUM - Ontario**

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*

Is the corporation electing under regulation 1101(5g)? 1 Yes ☐ 2 No ☒

| 1 Class number | 2 UCC start of year | 3 Additions during the year | 4 Net adjustments | 5 Proceeds of dispositions | 6 UCC | 7 50% rule on net acquisitions | 8 Reduced UCC |
|---|---|---|---|---|---|---|---|
| reg | 7,800,598 | 471,349 | | 12,000 | 8,259,947 | 229,676 | 8,030,271 |
| 10.1 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |

| | 10 Recapture of CCA | 11 Terminal Loss loss | 12 CCA | 13 UCC at end of year |
|---|---|---|---|---|
| reg | | | 573,779 | 7,686,168 |
| 10.1 | | | | |
| 13 | | | | |
| 14 | | | | |
| **Total** | | | 573,779 | |

| 1 Class number | 2 UCC start of year | 3 Additions during the year | 4 Net adjustments | 5 Proceeds of dispositions | 6 UCC | 7 50% rule on net acquisitions | 8 Reduced UCC |
|---|---|---|---|---|---|---|---|
| 24 | | | | | | | |
| 27 | | | | | | | |
| 29 | | | | | | | |
| 34 | | | | | | | |
| Rental | | | | | | | |

| | 10 Recapture of CCA | 11 Terminal Loss loss | 12 CCA | 13 UCC at end of year |
|---|---|---|---|---|
| 24 | | | | |
| 27 | | | | |
| 29 | | | | |
| 34 | | | | |
| Rental | | | | |
| **Total** | | | | |

**Totals:**

| | | |
|---|---|---|
| Recapture | | Enter in 650 on the CT23 |
| Terminal loss | | Enter in 650 on the CT23 |
| CCA Claimed | 573,779 | Enter in 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 acquistions 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

# Ontario Cumulative Eligible Capital Deduction Schedule 10

(For taxation years 2000 and later)

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

## Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at end of preceding taxation year *(if negative, enter zero)* ..... 321,418 **A**

**Add:**

Cost of eligible capital property acquired during the taxation year ..... + _____ **B**

Amount transferred on amalgamation or wind-up of subsidiary ..... + _____ **C**

Other adjustments ..... + _____ **D**

**Total of B + C + D** ..... = _____ x 3/4 = _____ **E**

**Subtotal A + E** ..... = 321,418 **F**

**Deduct:**

Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year ..... + _____ **G**

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada) ..... + _____ **H**

Other adjustments ..... + _____ **I**

**Total of G + H + I** ..... = _____ x 3/4 = _____ **J**

**Ontario Cumulative eligible capital balance F - J** ..... = 321,418 **K**

***If amount K is negative, enter zero at line M and proceed to Part 2***

**Current year deduction** 321,418 K x 7% * ..... = 22,499 **L**

** The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.* Enter the amount in box 651 of the CT23

**Ontario cumulative eligible capital - closing balance K - L** (if negative, enter zero) ..... = 298,919 **M**

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

## Part 2 - Amount to be included in income arising from dispostion

***Only Complete this part only if the amount at line K is negative***

Amount from line K above *show* as a positive amount ..... **N**

Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 ..... 1

Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA ..... 2

Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 ..... 3

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 ..... 4

Line 3 deduct line 4 ..... 5

Total lines 1 + 2 + 5 ..... 6

Line T From previous Ontario Schedule 10 for taxation years ending after February 27, 2000 ..... 7

Deduct line 7 from line 6 ..... **O**

N- O *(cannot be negative)* ..... **P**

Amount on line 5 _____ X 1/2 ..... **Q**

P - Q ..... **R**

Amount on line R _____ X 2/3 ..... **S**

Lesser of line N or line O ..... **T**

Amount to be included in income S + T .....

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

# Corporate Minimum Tax - Associated Corporations

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

| Name of Associated Corporation (Canadian and Foreign) | Corporations Tax Number | Taxation Year End | Total Assets | Total Revenue |
|---|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 | 10,254,135 | 3,548,501 |
| Gravenhurst Energy Service | 1800255 | 2003/12/31 | 439,965 | 134,324 |
| Gravenhurst Power Inc. | 7317696 | 2003/12/31 | 2,505,978 | 1 |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| **Totals** | | | 13,200,078 | 3,682,826 |

*(Transfer to* 249 *of the CT23)* *(Transfer to* 250 *of the CT23)*

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

# Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

**Schedule CT21**

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 |

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

| Name of Associated Corporation (Must have a PE in Canada) | Corporations Tax Account No. (MOF) (if applicable) | Taxation Year End | Taxable capital |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2003/12/31 | 3,543,074 |
| Gravenhurst Energy Service | 1800255 | 2003/12/31 | 431,569 |
| Gravenhurst Power Inc | 7317696 | 2003/12/31 | 21,791 |
| | | | |
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| | | | |
| | | | |

**Aggregate of taxable capital** 3,996,434

*(Transfer to* 540 *of the CT23)*

Ministry of Finance
Ontario

Corporations Tax Branch
P.O. Box 620
33 King Street West
Oshawa, Ontario
L1H 8E9

# Payment Advice

**Enter the amount of payment and indicate taxation year**

| Account Number | Date of Incorporation (year month day) |
|---|---|
| 7317703 | 2000/10/25 |
| Name: Gravenhurst Hydro Electric Inc. | |

| Taxation year end (year month day) | Payment Amount |
|---|---|
| 2003/12/31 | $ 118,478 |
| | $ |
| **Total Payment** | $ 118,478 |

Submit this Payment Advice with your cheque (drawn on a Canadian financial institution) or money order, in Canadian funds, payable to: the Minister of Finance.

Send to: Ontario Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa On L1H 8E9

**CULL, GORDON AND GINGRICH**
**152-3 MANITOBA STREET**
**BRACEBRIDGE ONTARIO**
**P1L 1Z9**
**705-645-5255**

April 8, 2004

**Ontario corporate tax account # : 7317703**

Gravenhurst Hydro Electric Inc.
195 Progress Drive
P.O. Box 250
Gravenhurst ON
P1P1T6
CA
705-687-2321

To Whom It May Concern:

This is to authorize the Ministry of Finance to discuss any and all matters pertaining to the above corporation's tax return(s) for the year ended December 31, 2003 and prior taxation years with the firm named below:

CULL, GORDON AND GINGRICH
152-3 MANITOBA STREET

BRACEBRIDGE ONTARIOP1L 1Z9
705-645-5255

This authorization revokes all previous authorizations and has effect until rescinded in writing.

Yours very truly,

George McEachern
Signing Officer
Gravenhurst Hydro Electric Inc.

| Name of Corporation | Business Number | Taxation Year End | Year | Month | Day |
|---|---|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2003 | 12 | 31 |

# Comparative Tax Summary

| | A Current Year 2003 | B Previous Year 2002 |
|---|---|---|
| **Taxable Income:** | | |
| Net income from financial statements or T2S(1) | 947,825 | 250,591 |
| Less: Donations and gifts to the crown | | |
| Deductible taxable dividends | | |
| Part VI.1 tax | | |
| Other | | 1,258 |
| Taxable income | 947,825 | 249,333 |
| Addition to taxable income for foreign tax deductions | | |
| **Adjusted taxable income** | 947,825 | 249,333 |
| **Federal Tax Payable:** | | |
| Tax on taxable income at 38% | 360,174 | 94,747 |
| Add: Corporate surtax | 10,616 | 2,793 |
| Refundable tax on investment income | | |
| Less: Small business deduction | 35,712 | 32,000 |
| Federal tax abatement | 94,783 | 24,933 |
| Manufacturing and processing deduction | | |
| Foreign non-business tax credit | | |
| Foreign business income tax credit | | |
| Federal political contribution credit | | |
| Investment tax credit | | |
| Part I.3 tax credit | | |
| Other deductions and credits | 37,719 | 3,453 |
| **Subtotal** | 168,214 | 60,386 |
| Part I tax payable | 202,576 | 37,153 |
| Refundable portion of part I tax | | |
| Part I.3 tax on large corporations | | |
| Part IV tax on taxable dividends | | |
| Other taxes payable | | |
| **Subtotal** | 202,576 | 37,153 |
| Add: Provincial (territorial) taxes less credits | | |
| **Subtotal** | 202,576 | 37,153 |
| Less: Instalments | 61,479 | |
| Dividend refund | | |
| Investment tax credit & other refunds | | |
| **Subtotal** | 61,479 | |
| Federal balance owing or refundable | 141,097 | 37,153 |
| **Provincial Tax Payable:** | | |
| Ontario income tax (net of credits) | 118,478 | 14,960 |
| Ontario capital tax | | 10,702 |
| Ontario corporate minimum tax | | |
| Ontario premium tax | | |
| Manitoba capital tax | | |
| Saskatchewan capital tax | | |
| Alberta income tax | | |
| British Columbia capital tax | | |
| **Subtotal** | 118,478 | 25,662 |
| Less: Instalments paid to provinces | | 12,000 |
| Total provincial tax owing or refundable | 118,478 | 13,662 |
| **Summary:** | | |
| Total federal tax owing or refundable | 141,097 | 37,153 |
| Total provincial tax owing or refundable | 118,478 | 13,662 |
| Total tax owing or refundable | 259,575 | 50,815 |

Canada Revenue Agency

# 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 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 center. 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)** (item 11) .... **001** 891085615 **RC** 0001

AMENDED

**Corporation's name** (Item 12)

**002** Gravenhurst Hydro Electric Inc.

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** (item 13)

Has the address changed since the last time we were notified? ..... **010** 1 Yes ☐ 2 No ☒

**011** 195 Progress Drive

**012** P.O. Box 250

| City | Province, territory, or state |
|---|---|
| **015** Gravenhurst | **016** ON |
| **Country (other than Canada)** | **Postal code/Zip code** |
| **017** CA | **018** P1P1T6 |

**Mailing address** (if different from head office address) (item 14)

Has the address changed since the last time we were notified?

**020** 1 Yes ☒ 2 No ☐

**021** c/o George McEachern

**022** P.O. Box 250

**023**

| City | Province, territory, or state |
|---|---|
| **025** Gravenhurst | **026** ON |
| **Country (other than Canada)** | **Postal code/Zip code** |
| **027** CA | **028** P1P1T6 |

**Location of books and records** (item 15)

Has the location of books and records changed since the last time we were notified? ..... **030** 1 Yes ☐ 2 No ☒

**031** 195 Progress Drive

**032** P.O. Box 250

| City | Province, territory, or state |
|---|---|
| **035** Gravenhurst | **036** ON |
| **Country (other than Canada)** | **Postal code/Zip code** |
| **037** CA | **038** P1P1T6 |

**040 Type of corporation at the end of the taxation year** (item 16)

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?** (item 17)

| Taxation year start | Taxation year-end |
|---|---|
| **060** 2004/01/01 | **061** 2004/12/31 |
| 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*, give the date control was acquired ..... **065** _____ YYYY MM DD

**Is the corporation a professional corporation that is a member of a partnership?** (item 18) ..... **067** 1 Yes ☐ 2 No ☒

**Is this the first year of filing after:**
Incorporation? (item 19) ..... **070** 1 Yes ☐ 2 No ☒
Amalgamation? (item 20) ..... **071** 1 Yes ☐ 2 No ☒
If *Yes*, complete and attach Schedule 24.

**Has there been a windup of a subsidiary under section 88 during the current taxation year?** (item 21) ..... **072** 1 Yes ☐ 2 No ☒
If *Yes*, complete and attach Schedule 24.

**Is this the final taxation year before amalgamation?** (item 22) ..... **076** 1 Yes ☐ 2 No ☒

**Is this the final return up to dissolution?** (item 23) ..... **078** 1 Yes ☐ 2 No ☒

**Is the corporation a resident of Canada?** (item 24)
**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?** (item 24) ..... **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:** (item 25)

**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

**No longer required by the CRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

## Attachments

* We do not print these schedules.

**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.

| Guide item | | | Yes | Schedule |
|---|---|---|---|---|
| 27 | Is the corporation related to any other corporations? | 150 | X | 9 |
| 28 | Does the corporation have any non-resident shareholders? | 151 | | 19 |
| 29 | Is the corporation an associated Canadian-controlled private corporation? | 160 | X | 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 | | 4 |
| 132 | Is the corp. claiming a prov. 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 | X | 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 | X | 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 corp. 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* |



**No longer required by the CRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

**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? (item 48) ... 280 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers) (item 49) ... 281 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? (item 50) 282 Hydro Electric services

(Only complete if *Yes* was entered at line 281)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51) ... 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. (item 52)

| | | | |
|---|---|---|---|
| 284 | Hydro Distribution | 285 | 97.500% |
| 286 | Other | 287 | 2.500% |
| 288 | | 289 | % |

Did the corporation immigrate to Canada during the taxation year? (item 53) ... 291 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? (item 54) ... 292 1 Yes ☐ 2 No ☒

**Taxable income**

| | | | |
|---|---|---|---|
| Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI (item 77) | 300 | 505,701 | A |
| **Deduct:** Charitable donations from Schedule 2 (item 78) | 311 | | |
| Gifts to Canada, a province, or a territory from Schedule 2 (item 79) | 312 | | |
| Cultural gifts from Schedule 2 (item 80) | 313 | | |
| Ecological gifts from Schedule 2 (item 81) | 314 | | |
| Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82) | 320 | | |
| Part VI.1 tax deduction from Schedule 43 (item 83)* | 325 | | |
| Non-capital losses of preceding taxation years from Schedule 4 (item 84) | 331 | | |
| Net capital losses of preceding taxation years from Schedule 4 (item 85) | 332 | | |
| Restricted farm losses of preceding taxation years from Schedule 4 (item 86) | 333 | | |
| Farm losses of preceding taxation years from Schedule 4 (item 87) | 334 | | |
| Limited partnership losses of preceding taxation years from Schedule 4 (item 88) | 335 | | |
| Taxable capital gains or taxable dividends allocated from a central credit union (item 89) | 340 | | |
| Prospector's and grubstaker's shares (item 90) | 350 | | |
| Subtotal | | ▶ | B |
| Subtotal (amount A minus amount B)(if negative, enter "0") | | 505,701 | C |
| **Add:** Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91) | 355 | | D |
| **Taxable income** (amount C plus amount D) (item 92) | 360 | 505,701 | |
| Income exempt under paragraph 149(1)(t) (item 93) | 370 | | |
| **Taxable income** for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94) | | 505,701 | Z |

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.



**No longer required by the CRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

**Small business deduction**

**Canadian-controlled private corporations (CCPCs) throughout the taxation year**

Income from active business carried on in Canada from Schedule 7 (item 95) ..... **400** 505,701 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times (use '10/4' for taxation years ending before 2003) the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96) ..... **405** 505,701 B

**Calculation of the business limit:** (item 97)

For all CCPCs, calculate the amount at line 4 below.

250,000 x (Number of days in the taxation year in 2004 = 366 / Number of days in the taxation year 366) = 250,000 3

Add amounts at line 1, 2, 3, and 3.1 250,000 4

Business limit (see note1 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:** (item 98)

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% of whichever amount is least: A, B, C, or F ..... **430** 40,000 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 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** (item 99)

**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) * ..... 505,701 B

Taxable income from line 360 on page 3 **minus** 3 times (use '10/4' for taxation years ending before 2003) the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96) ..... 505,701 C

**Deduct:**

Aggregate investment income (amount from line 440 of page 6) ..... D

Amount C minus amount D (if negative, enter "0") ..... 505,701 ▶ 505,701 E

Amounts A, B, or E above, whichever is less ..... 300,000 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 of page 5 ..... 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 ..... 250,000 K

Total of amounts G, H, I, J, and K ..... 250,000 ▶ 250,000 L

Amount F minus amount L (if negative, enter "0") ..... 50,000 M

**Accelerated tax reduction** - 7% of amount M (enter amount N on line 637 of page 7) ..... 3,500 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.

**No longer required by the CRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2004/12/31 |

**Resource deduction** (item 100)

Taxable resource income [as defined in subsection 125.11(1)] ..... **435** _____ A

Amount A _____ x Number of days in the taxation year in 2003 / Number of days in the taxation year 366 _____ X 1% = _____ B

Amount A _____ x Number of days in the taxation year in 2004 / Number of days in the taxation year 366 366 X 2% = _____ C

Amount A _____ x Number of days in the taxation year in 2005 / Number of days in the taxation year 366 _____ X 3% = _____ C.1

Amount A _____ x Number of days in the taxation year in 2006 / Number of days in the taxation year 366 _____ X 5% = _____ C.2

**Resource deduction** - total of amounts B, C, C.1, and C.2 ..... **438** _____ D
(enter amount D on line 10 of page 7)

**General tax reduction for Canadian-controlled private corporations** (item 101)

**Canadian-controlled private corporations throughout the taxation year**

Taxable income from line 360 on page 3 ..... 505,701 E

Amount Z from Part 9 of Schedule 27 _____ x 100/7 = _____ F
Amount QQ from Part 13 of Schedule 27 ..... _____ G
Taxable resource income from line 435 above _____ H
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) ..... _____ I
Amount on line 400, 405, 410, or 425 on page 4, whichever is less ..... 250,000 J
Aggregate investment income from line 440 of page 6 ..... _____ K
Amount used to calculate the accelerated tax reduction (amount M of page 4) ..... 50,000 L
Total of amounts F, G, H, I, J, K, and L ..... 300,000 ▶ 300,000 M
Amount E minus amount M (if negative, enter "0") ..... 205,701 N

Amount N 205,701 x Number of days in the taxation year in 2002 / Number of days in the taxation year 366 _____ X 3% = _____ O

Amount N 205,701 x Number of days in the taxation year in 2003 / Number of days in the taxation year 366 _____ X 5% = _____ P

Amount N 205,701 x Number of days in the taxation year after 2003 / Number of days in the taxation year 366 366 X 7% = 14,399 Q

**General tax reduction for Canadian-controlled private corporations** - total of amounts O, P, and Q ..... 14,399 R
(enter amount R on line 638 of page 7)

**General tax reduction** (item 102)

**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 on page 3 ..... _____ S

Amount Z from Part 9 of Schedule 27 _____ x 100/7 = _____ T
Amount QQ from Part 13 of Schedule 27 ..... _____ U
Taxable resource income from line 435 above _____ V
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) ..... _____ W
Total of amounts T, U, V, and W ..... _____ ▶ _____ X
Amount S minus amount X (if negative, enter "0") ..... _____ Y

Amount Y _____ x Number of days in the taxation year in 2002 / Number of days in the taxation year 366 _____ X 3% = _____ Z

Amount Y _____ x Number of days in the taxation year in 2003 / Number of days in the taxation year 366 _____ X 5% = _____ AA

Amount Y _____ x Number of days in the taxation year after 2003 / Number of days in the taxation year 366 366 X 7% = _____ BB

**General tax reduction** - total of amounts Z, AA, and BB ..... _____ CC
(enter amount CC on line 639 of page 7)

**No longer required by the CRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

**Refundable portion of Part I tax** (item 103)

**Canadian-controlled private corporations throughout the taxation year**

Aggregate investment income ..... **440** _____ X 26 2/3 % = ..... _____ A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 ..... _____

**Deduct:**

Foreign investment income ..... **445** _____ X 9 1/3 % = ..... _____
(amount O from Part 1 of Schedule 7) (if negative, enter "0") _____ ▶ _____ B

Amount A minus amount B (if negative, enter "0") ..... _____ C

Taxable income from line 360 on page 3 ..... 505,701

**Deduct:**

Amount on line 400, 405, 410, or 425 on page 4, whichever is less ..... 250,000

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* _____

250,000 ▶ 250,000

255,701 X 26 2/3 %= 68,187 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) 89,361

**Deduct:** Corporate surtax from line 600 of page 7 ..... 5,664

Net amount ..... 83,697 ▶ 83,697 E

**Refundable portion of Part I tax** - Amount C, D, or E, whichever is less ..... **450** <NIL> F

* For taxation years ending before 2003, "3" is replaced by 10/4.

**Refundable dividend tax on hand** (item 104)

Refundable dividend tax on hand at the end of the preceding taxation year ..... **460** _____

**Deduct:** Dividend refund for the previous taxation year ..... **465** _____

_____ ▶ _____ A

**Add** the total of:

Refundable portion of Part I tax from line 450 above ..... _____

Total Part IV tax payable from line 360 on page 2 of Schedule 3 ..... _____

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation ..... **480** _____

_____ ▶ _____ B

**Refundable dividend tax on hand at the end of the taxation year** - Amount A plus amount B ..... **485** <NIL>

**Dividend refund** (item 105)

**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 .... _____ X 1/3 _____ A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... _____ B

**Dividend refund** - Amount A or B, whichever is less (enter this amount on line 784 of page 8) ..... _____



**No longer required by the CRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

**Part I tax**

**Base amount of Part I tax** -38% of taxable income (line 360 or amount Z, whichever applies) from page 3 (item 106) ..... **550** 192,166 **A**

**Corporate surtax calculation** (item 107)

| | | | |
|---|---|---|---|
| Base amount from line A above | | 192,166 | 1 |
| **Deduct:** | | | |
| 10% of taxable income (line 360 or amount Z, whichever applies) from page 3 | | 50,570 | 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 less: | | | |
| 28% of taxable income from line 360 of page 3 | 141,596 a | | |
| 28% of taxed capital gains | b | | 6 |
| Part I tax otherwise payable (line A **plus** lines C and D **minus** line F) | 83,697 c | | |
| Total of lines 2 to 6 | | 50,570 | 7 |
| Net amount (line 1 minus line 7) | | 141,596 | 8 |

**Corporate surtax** - 4% of the amount on line 8 ..... **600** 5,664 **B**

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 (item 108) ..... **602** **C**

**Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income** (for a CCPC throughout the taxation year) (item 109)

| | | | |
|---|---|---|---|
| Aggregate investment income from line 440 on page 6 | | | i |
| Taxable income from line 360 on page 3 | 505,701 | | |
| **Deduct:** | | | |
| Amount on lines 400, 405, 410, or 425 of page 4, whichever is less | 250,000 | | |
| Net amount | 255,701 ▶ | 255,701 | ii |

**Refundable tax on CCPC's investment income** - 6 2/3 % of the lesser of amounts i or ii ..... **604** **D**

Subtotal (add lines A, B, C, and D) 197,830 **E**

**Deduct:**

| | | | | |
|---|---|---|---|---|
| Small business deduction from line 430 of page 4 | | | 40,000 | 9 |
| Federal tax abatement (item 110) | **608** | | 50,570 | |
| Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 (item 111) | **616** | | | |
| Investment corporation deduction (item 112) | **620** | | | |
| (taxed capital gains **624** ) | | | | |
| Additional deduction - credit unions from Schedule 17 (item 113) | **628** | | | |
| Federal foreign non-business income tax credit from Schedule 21 (item 114) | **632** | | | |
| Federal foreign business income tax credit from Schedule 21 (item 115) | **636** | | | |
| Accelerated tax reduction from amount N of page 4 (item 116) | **637** | | 3,500 | |
| Resource deduction from line 438 of page 5 | | | | 10 |
| General tax reduction for CCPCs from amount R of page 5 (item 117) | **638** | | 14,399 | |
| General tax reduction from amount CC of page 5 (item 117) | **639** | | | |
| Federal logging tax credit from Schedule 21 (item 118) | **640** | | | |
| Federal political contribution tax credit (item 119) | **644** | | | |
| Federal political contributions | **646** | | | |
| Federal qualifying environmental trust tax credit (item 120) | **648** | | | |
| Investment tax credit from Schedule 31 (item 121) | **652** | | | |
| Subtotal | | 108,469 ▶ | | 108,469 **F** |

**Part I tax payable** - Line E minus line F (enter amount G on line 700 of page 8) (item 122) ..... 89,361 **G**

**No longer required by the CRA. Submit the RSI forms only.**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

## Summary of tax and credits

**Federal tax**

| | | |
|---|---|---|
| Part I tax payable from page 7 (item 123) | 700 | 89,361 |
| Part I.3 tax payable from Schedule 33, 34, or 35 (item 124) | 704 | |
| Part II surtax payable from Schedule 46 (item 125) | 708 | |
| Part IV tax payable from Schedule 3 (item 126) | 712 | |
| Part IV.1 tax payable from Schedule 43 (item 127) | 716 | |
| Part VI tax payable from Schedule 38 (item 128) | 720 | |
| Part VI.1 tax payable from Schedule 43 (item 129) | 724 | |
| Part XIII.1 tax payable from Schedule 92 (item 130) | 727 | |
| Part XIV tax payable from Schedule 20 (item 131) | 728 | |
| Total federal tax | | 89,361 |

**Add provincial or territorial tax:**

Provincial or territorial jurisdiction (item 132) 750 Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

| | | |
|---|---|---|
| Net provincial or territorial tax payable (except Quebec, Ontario, and Alberta) (item 133) | 760 | |
| Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147) | 765 | |
| Total tax payable | 770 | 89,361 A |

**Deduct other credits:**

| | | |
|---|---|---|
| Investment tax credit refund from Schedule 31 (item 148) | 780 | |
| Dividend refund from page 6 (item 149) | 784 | |
| Federal capital gains refund from Schedule 18 (item 150) | 788 | |
| Federal qualifying environmental trust tax credit refund (item 151) | 792 | |
| Canadian film or video production tax credit refund from Form T1131 (item 152) | 796 | |
| Film or video production services tax credit refund from Form T1177 (item 153) | 797 | |
| Tax withheld at source (item 154) | 800 | |
| Total payments on which tax has been withheld (item 154) | 801 | |
| Allowable refund for non-resident-owned investment corporations from Schedule 26 (item 155) | 804 | |
| Provincial and territorial capital gains refund from Schedule 18 (item 156) | 808 | |
| Provincial and territorial refundable tax credits from Schedule 5 (item 157) | 812 | |
| Royalties deduc. under Syncrude Remis. Order (item 158) | 815 | |
| Tax remitted under Syncrude Remission Order (item 158) | 816 | |
| Tax instalments paid (item 159) | 840 | 200,589 |
| Total credits | 890 | 200,589 B |

Refund code (item 160) 894 ☐

Overpayment (item 163) 111,228

Balance (line A minus line B) -111,228

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 (item 163) _____

Enclosed payment (item 162) 898 _____

### Direct deposit request (item 164)

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? (item 161) 896 1 Yes ☐ 2 No ☒

### Certification (item 165)

I, 950 McEachern (Last name in block letters) 951 George (First name in block letters) 954 President (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 2005/03/16 (Date (yyyy/mm/dd)) _____ (Signature of the authorized signing officer of the corporation) 956 (705) 687-2321 (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 (item 166)

990 Indicate the language of your choice.
Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Francais/French ☐



**No longer required by the CRA. Submit the RSI forms only.**

Canada Revenue Agency

# NET INCOME (LOSS) FOR INCOME TAX PURPOSES

**SCHEDULE 1**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

Net income (loss) after taxes and extraordinary items per financial statements ..... 459,829 **A**

**Add:**

| | | | |
|---|---|---|---|
| Provision for income taxes - current | 101 | 131,092 | |
| Provision for income taxes - deferred | 102 | | |
| Interest and penalties on taxes | 103 | | |
| Amortization of tangible assets | 104 | 492,125 | |
| Amortization of natural resource assets | 105 | | |
| Amortization of intangible assets | 106 | | |
| Recapture of capital cost allowance from Schedule 8 | 107 | | |
| Gain on sale of eligible capital property from Schedule 10 | 108 | | |
| Income or loss for tax purposes - joint ventures or partnerships | 109 | | |
| Loss in equity of subsidiaries and affiliates | 110 | | |
| Loss on disposal of assets | 111 | | |
| Charitable donations from Schedule 2 | 112 | | |
| Taxable capital gains from Schedule 6 | 113 | | |
| Political donations | 114 | | |
| Holdbacks | 115 | | |
| Deferred and prepaid expenses | 116 | | |
| Depreciation in inventory - end of year | 117 | | |
| Scientific research expenditures deducted per financial statements | 118 | | |
| Capitalized interest | 119 | | |
| Non-deductible club dues and fees | 120 | | |
| Non-deductible meals and entertainment expenses | 121 | | |
| Non-deductible automobile expenses | 122 | | |
| Non-deductible life insurance premiums | 123 | | |
| Non-deductible company pension plans | 124 | | |
| Tax reserves deducted in prior year from Schedule 13 | 125 | | |
| Reserves from financial statements - balance at the end of the year | 126 | | |
| Soft costs on construction and renovation of buildings | 127 | | |
| Total of fields 201 to 294 on page 2 | 199 | | |
| Total of fields 101 to 199 | 500 | 623,217 | ▶ 623,217 |

**Deduct:**

| | | | |
|---|---|---|---|
| Gain on disposal of assets per financial statements | 401 | | |
| Dividends not taxable under section 83 from Schedule 3 | 402 | | |
| Capital cost allowance from Schedule 8 | 403 | 556,421 | |
| Terminal loss from Schedule 8 | 404 | | |
| Cumulative eligible capital deduction from Schedule 10 | 405 | 20,924 | |
| Allowable business investment loss - Schedule 6 | 406 | | |
| Foreign non-business tax deduction under subsection 20(12) | 407 | | |
| Holdbacks | 408 | | |
| Deferred and prepaid expenses | 409 | | |
| Depreciation in inventory - end of prior year | 410 | | |
| Scientific research expenses claimed in year from Form T661 | 411 | | |
| Tax reserves claimed in current year from Schedule 13 | 413 | | |
| Reserves from financial statements - balance at the beginning of the year | 414 | | |
| Patronage dividends from Schedule 16 | 416 | | |
| Contributions to deferred income plans from Schedule 15 | 417 | | |
| Total of fields 300 to 394 on page 3 | 499 | | |
| Total of fields 401 to 499 | 510 | 577,345 | ▶ 577,345 |

**Net income (loss) for income tax purposes** - enter at line 300 on page 3 of the T2 return ..... 505,701

**Add:**

| | | |
|---|---|---|
| Accounts payable and accruals for cash basis - closing | | 201 |
| Accounts receivable and prepaid for cash basis - opening | | 202 |
| Accrual inventory - opening | | 203 |
| Accrued dividends - prior year | | 204 |
| Book loss on joint ventures or partnerships | | 205 |
| Capital items expensed | | 206 |
| All crown charges, royalties, rental, etc. | | |
| - Non-deductible crown payments | | |
| - Taxable portion of Alberta royalty tax credit and other rebates 12(1)(x.2) | | |
| - Other | | |
| Total | | 207 |
| Debt issue expense | | 208 |
| Deemed dividend income | | 209 |
| Deemed interest on loans to non-residents | | 210 |
| Deemed interest received | | 211 |
| Development expenses claimed in current year | | 212 |
| Dividend stop-loss adjustment | | 213 |
| Dividends credited to the investment account | | 214 |
| Exploration expenses claimed in current year | | 215 |
| Financing fees deducted in books | | 216 |
| Foreign accrual property income | | 217 |
| Foreign affiliate property income | | 218 |
| Foreign exchange included in retained earnings | | 219 |
| Gain on settlement of debt | | 220 |
| Interest paid on income debentures | | 221 |
| Limited partnership losses from Schedule 4 | | 222 |
| Loss from international banking centres | | 223 |
| Mandatory inventory adjustment - included in current year | | 224 |
| Mining royalties (provincial mining taxes) | | 225 |
| Non-deductible advertising | | 226 |
| Non-deductible interest | | 227 |
| Non-deductible legal and accounting fees | | 228 |
| Optional value of inventory - included in current year | | 229 |
| Other expenses from financial statements | | |
| - for resource loss | | |
| - others | | |
| Total | | 230 |
| Recapture of SR&ED expenditures - Form T661 | | 231 |
| Resource amounts deducted | | 232 |
| Restricted farm losses - current year - Schedule 4 | | 233 |
| Sales tax assessments | | 234 |
| Share issue expense | | 235 |
| Write-down of capital property | | 236 |
| Amounts received in respect of qualifying environmental trust per paragraphs 12(1)(z.1) and 12(1)(z.2) | | 237 |
| Contractors' completion method adjustment: revenue net of costs on contracts under 2 years - previous year | | 238 |

**Other additions:**

| | | |
|---|---|---|
| 600 | | 290 |
| 601 | | 291 |
| 602 | | 292 |
| 603 | | 293 |
| 604 | | 294 |

Total of fields 201 to 294 (enter this amount at line 199 on page 1)

**Deduct:**

| | | |
|---|---|---|
| Accounts payable and accruals for cash basis - opening | 300 | |
| Accounts receivable and prepaid for cash basis - closing | 301 | |
| Accrual inventory - closing | 302 | |
| Accrued dividends - current year | 303 | |
| Bad debt | 304 | |
| Book income of joint venture or partnership | 305 | |
| Equity in income from subsidiaries or affiliates | 306 | |
| Exempt income under section 81 | 307 | |
| Income from international banking centres | 308 | |
| Mandatory inventory adjustment - included in prior year | 309 | |
| Contributions to qualifying environmental trust | 310 | |
| Non-Canadian advertising expenses - broadcasting | 311 | |
| Non-Canadian advertising expenses - printed materials | 312 | |
| Optional value of inventory - included in prior year | 313 | |
| Other income from financial statements | 314 | |
| Payments made for allocations in proportion to borrowing and bonus interest payment from Schedule 17 | 315 | |
| Contractors' completion method adjustment: revenue net of costs on contracts under 2 years - current year | 316 | |

**Resource deductions:**

| | | |
|---|---|---|
| Canadian development expenses from Schedule 12 | 340 | |
| Canadian exploration expenses from Schedule 12 | 341 | |
| Canadian oil and gas property expenses from Schedule 12 | 342 | |
| Deductible crown charges | 343 | |
| Depletion from Schedule 12 | 344 | |
| Foreign exploration and development expenses from Schedule 12 | 345 | |
| Resource allowance | 346 | |

**Other deductions:**

| | | | |
|---|---|---|---|
| 700 | | 390 | |
| 701 | | 391 | |
| 702 | | 392 | |
| 703 | | 393 | |
| 704 | | 394 | |

Total of fields 300 to 394 (enter this amount at line 499 on page 1)

Canada Revenue Agency

# CAPITAL COST ALLOWANCE (CCA)

**SCHEDULE 8 - Federal**

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide.*

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

| 1<br>Class no.<br>**200** | Description | 2<br>Undepreciated capital cost at the beginning of the year (column 11 from last year's T2S(8))<br>**201** | 3<br>Cost of acquisitions during the year (new property must be available for use)<br>See note 1 below<br>**203** | 4<br>Adjustments (show negative amounts in brackets)<br>**205** | 5<br>Proceeds of dispositions during the year (amount not to exceed the capital cost)<br>**207** | 6<br>Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5) | 7<br>50% rule (deduct 1/2 the amount, if any, by which the net cost of acquisitions exceeds col. 5)<br>See note 2 below<br>**211** | 8<br>Reduced undepreciated capital cost (column 6 minus column 7) | 9<br>CCA rate %<br>**212** | 10<br>Capital cost allowance (column 8 mulitiplied by column 9; or a lower amount)<br>See note 3 below<br>**217** | 11<br>Undepreciated capital cost at the end of the year (column 6 minus column 10)<br>**220** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Buildings | 377,784 | 11,253 | | | 389,037 | 5,627 | 383,410 | 4.0 | 15,336 | 373,701 |
| 1 | | 6,163,755 | 462,358 | | | 6,626,113 | 231,179 | 6,394,934 | 4.0 | 255,797 | 6,370,316 |
| 8 | Equipment | 27,664 | | | | 27,664 | | 27,664 | 20.0 | 5,533 | 22,131 |
| 10 | Computer E | 53,202 | 26,921 | | | 80,123 | 13,461 | 66,662 | 30.0 | 19,999 | 60,124 |
| 8 | Equipment | 9,445 | | | | 9,445 | | 9,445 | 20.0 | 1,889 | 7,556 |
| 10 | | 470,029 | | | | 470,029 | | 470,029 | 30.0 | 141,009 | 329,020 |
| 8 | Equipment | 570,203 | | | | 570,203 | | 570,203 | 20.0 | 114,041 | 456,162 |
| 8 | | 14,086 | | | | 14,086 | | 14,086 | 20.0 | 2,817 | 11,269 |
| | Totals | 7,686,168 | 500,532 | | | 8,186,700 | 250,267 | 7,936,433 | | 556,421 | 7,630,279 |

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).

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. See the T2 Guide for more information.

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 Revenue Agency

# CAPITAL COST ALLOWANCE (CCA) SCHEDULE 8SUM - Federal

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*

Is the corporation electing under regulation 1101(5q)? 1 Yes ☐ 2 No ☒

| 1 Class number **200** | 2 UCC start of year **201** | 3 Additions during the year **203** | 4 Net adjustments **205** | 5 Proceeds of dispositions **207** | 6 Adjusted UCC | 7 50% rule on net acquisitions **211** | 8 Reduced UCC |
|---|---|---|---|---|---|---|---|
| reg | 7,686,168 | 500,532 | | | 8,186,700 | 250,267 | 7,936,433 |
| 10.1 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |

| | 10 Recapture of CCA **213** | 11 Terminal Loss loss **215** | 12 CCA **217** | 13 UCC at end of year **220** |
|---|---|---|---|---|
| reg | | | 556,421 | 7,630,279 |
| 10.1 | | | | |
| 13 | | | | |
| 14 | | | | |
| **Totals** | | | 556,421 | |

| 1 Class number **200** | 2 UCC start of year **201** | 3 Additions during the year **203** | 4 Net adjustments **205** | 5 Proceeds of dispositions **207** | 6 Adjusted UCC | 7 50% rule on net acquisitions **211** | 8 Reduced UCC |
|---|---|---|---|---|---|---|---|
| 24 | | | | | | | |
| 27 | | | | | | | |
| 29 | | | | | | | |
| 34 | | | | | | | |
| Rental | | | | | | | |

| | 10 Recapture of CCA **213** | 11 Terminal Loss loss **215** | 12 CCA **217** | 13 UCC at end of year **220** |
|---|---|---|---|---|
| 24 | | | | |
| 27 | | | | |
| 29 | | | | |
| 34 | | | | |
| Rental | | | | |
| **Totals** | | | | |

**Totals:**

| | | |
|---|---|---|
| Recapture | | (Schedule 1 Line 107) |
| Terminal loss | | (Schedule 1 Line 404) |
| CCA Claimed | 556,421 | (Schedule 1 Line 403) |



CT12

Canada Revenue Agency

# RELATED AND ASSOCIATED CORPORATIONS

**SCHEDULE 9**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2004/12/31 |

| Name<br>**100** | Country of residence (other than Canada)<br>**200** | Business number (Canadian corp. only) (Note 1)<br>**300** | Relationship code (Note 2)<br>**400** | Number of common shares owned<br>**500** | % of common shares owned<br>**550** | Number of preferred shares owned<br>**600** | % of preferred shares owned<br>**650** | Book value of capital stock<br>**700** |
|---|---|---|---|---|---|---|---|---|
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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.

Canada Revenue Agency

# RELATED AND ASSOCIATED CORPORATIONS

**SCHEDULE 9**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

| Name<br>100 | Country of residence (other than Canada)<br>200 | Business number (Canadian corp. only) (Note 1)<br>300 | Relationship code (Note 2)<br>400 | Number of common shares owned<br>500 | % of common shares owned<br>550 | Number of preferred shares owned<br>600 | % of preferred shares owned<br>650 | Book value of capital stock<br>700 |
|---|---|---|---|---|---|---|---|---|
| Gravenhurst Energy Servic | | 864230792RC0001 | 3 | | | | | |
| Gravenhurst Power Inc. | | 864230990RC0001 | 1 | | | | | |
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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.

Canada Revenue Agency

# CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

**SCHEDULE 10**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide.*
- A separate cumulative eligible capital account must be kept for each business.

## Part 1 - Calculation of current year deduction and carry-forward

**Cumulative eligible capital - Balance at end of preceding taxation year** (if negative, enter "0") ..... **200** 298,919 A

**Add:** Cost of eligible capital property acquired during the taxation year ..... **222**

Other adjustments ..... **226**

Subtotal (line 222 plus line 226) x 0.75 = B

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002. ..... **228** x 0.50 = C

amount B minus amount C (if negative, enter "0") D

Amount transferred on amalgamation or wind-up sudsidiary ..... **224** E

Subtotal (add amounts A, D, and E) **230** 298,919 F

**Deduct:**

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year ..... **242** G

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) ..... **244** H

Other adjustments ..... **246** I

(add amounts G, H, and I) x 0.75 = **248** J

**Cumulative eligible capital balance** (amount F minus amount J) ..... 298,919 K
(if amount K is negative, enter "0" at line M and proceed to Part 2)

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business **249**

amount K 298,919

**less** amount from line 249

**Current year deduction** ..... 298,919 x 7.00 = **250** 20,924

(line 249 plus line 250) (enter this amount at line 405 of Schedule 1) 20,924 20,924 L

**Cumulative eligible capital - Closing balance** (amount K minus amount L)(if negative, enter "0") ..... **300** 277,995 M

**Note:** You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximun amount prorated by the number of days in the taxation year divided by 365.

## Part 2 - Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

Amount from line K (show as a positive amount) ..... N

Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988 ..... **400** 1

Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7) ..... **401** 2

Total of CEC deductions claimed for taxation years beginning before July 1, 1988 ..... **402** 3

Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988 ..... **408** 4

Line 3 minus line 4 (if negative, enter "0") ..... 5

Total of lines 1, 2, and 5 ..... 6

Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400 .. 7

Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000 ..... 8

Subtotal (line 7 plus line 8) **409** 9

Line 6 minus line 9 (if negative, enter "0") ..... O

Line N minus line O (if negative, enter "0") ..... P

Line 5 x 0.50 = Q

Line P minus line Q (if negative, enter "0") ..... R

Amount R x 0.67 = S

Amount N or amount O, whichever is less ..... T

**Amount to be included in income** (amount S plus amount T) (enter this amount on line 108 of Schedule 1) ..... **410**

Canada Revenue Agency

# AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

**SCHEDULE 23**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2004/12/31 |

- 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.

## 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 2004

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 Yes ☐ No ☒

| 1 Names of associated corporations 100 | 2 Business Number of associated corporations 200 | 3 Ass'n code 300 | 4 Business limit for the year (before the allocation) $ | 5 Percentage of the business limit % 350 | 6 Business limit allocated * $ 400 |
|---|---|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | 1 | 250,000 | 100.00 | 250,000 |
| Gravenhurst Energy Service | 864230792 RC 0001 | 1 | | | |
| Gravenhurst Power Inc. | 864230990 RC 0001 | 1 | | | |
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Canada Revenue Agency

**SCHEDULE 36**

# AGREEMENT AMONG RELATED CORPORATIONS - PART 1.3 TAX

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 2004/12/31 |

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000** among the members of the related group. **Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending 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.
- Attach additional schedules if space for agreement is not sufficient.

## Agreement

Date filed (for departmental use only) ..... **010** Year Month Day

Is this an amended agreement? ..... **020** 1 Yes [X] 2 No [ ]

Enter the calendar year to which the agreement applies ..... **030** Year 2004

**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 which is exempt from Part 1.3 tax under subsection 181.1(3) is not required 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 to which this agreement applies* (YYYY /MM /DD) **500** |
|---|---|---|---|---|
| 1. | Gravenhurst Hydro Electric Inc | 891085615RC 0001 | 40,000,000 | |
| 2. | Gravenhurst Power Inc. | 864230990RC 0001 | 100,000 | |
| 3. | Gravenhurst Energy Services In | 864230792RC 0001 | 9,900,000 | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. | | | | |
| 13. | | | | |
| | | Total (not to exceed $10,000,000**) | 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.

** $50,000,000 for taxation years ending after 2003.

Canada Revenue Agency

# SHAREHOLDER INFORMATION

**SCHEDULE 50**

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 **RC** 0001 | | 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<br>**100** | Business number<br>**200** | Social Insurance Number<br>**300** | Percentage common shares<br>**400** | Percentage preferred shares<br>**500** |
|---|---|---|---|---|
| Gravenhurst Power Inc. | 864230990RC0001 | | 100.0 | |
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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.

Amended

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* ☐ Yes ☒ No



Ministry Use

Corporation's Legal Name *(including punctuation)*
Gravenhurst Hydro Electric Inc.

Ontario Corporations Tax Account No. (MOF)
7317703

Mailing Address
P.O. Box 250

Gravenhurst ON
P1P1T6 CA

CLIENT'S COPY

This Return covers the Taxation Year
Start: year 2004 month 01 day 01
End: year 2004 month 12 day 31

Has the mailing address changed since last filed CT23 Return? ☐ Yes | Date of Change: _____

Date of Incorporation or Amalgamation
year 2000 month 10 day 25

Registered/Head Office Address
195 Progress Drive
P.O. Box 250
Gravenhurst ON
P1P1T6 CA

Ontario Corporation No. (MCBS): 1446745

Location of Books and Records
195 Progress Drive
P.O. Box 250
Gravenhurst ON
P1P1T6 CA

Canada Customs and Revenue Agency Business No.
If applicable, enter
891085615 **RC** 0001

Name of person to contact regarding this CT23 Return: George McEachern
Telephone No.: (705) 687-2321
Fax No.:

Jurisdiction Incorporated: Ontario

Address of Principal Office in Ontario *(Extra-Provincial Corporations only)* (MCBS)

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced: year month day
Ceased: year month day
☒ *Not Applicable*

Former Corporation Name *(Extra-Provincial Corporations only)* ☒ *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 Schedules(s):

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check ☒ this box. Schedule(s) A and K are not required (MCBS).

▶ ☒ **No Change**

Preferred Language / *Langue de préférence*
☒ 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)*
George McEachern

Title
D ☐ Director
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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 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 [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 ● %

2

| | | | |
|---|---|---|---|
| 1 | Family Farm Corporation s.1(2) | 12 | Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b) |
| 2 | Family Fishing Corporation s.1(2) | 14 | Bare Trustee Corporation |
| 3 | Mortgage Investment Corp. s.47 | 15 | Branch of Non-resident s.63(1) |
| 4 | Credit Union s.51 | 16 | Financial institution prescribed by Regulation only |
| 5 | Bank Mortgage Subsidiary s.61(4) | 17 | Investment Dealer |
| 6 | Bank s.1(2) | 18 | Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale |
| 7 | Loan and Trust Corporation s.61(4) | 19 [X] | Hydro successor, Municipal Electrical Utility or subsidiary of either |
| 8 | Non-resident Corporation s.2(2)(a) or (b) | 20 | Producer and seller of steam for uses other than for the generation of electricity |
| 9 | Non-resident Corporation s.2(2)(c) | 21 | Insurance Exchange s.74.4 |
| 10 | Mutual Fund Corporation s.48 | 22 | Farm Feeder Finance Co-operative Corporation |
| 11 | Non-resident owned investment Corporation s.49 | 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

Hydro Electric services

**Please check (x) box(es) if applicable**

[ ] First Year of Filing
[ ] 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 | 505,701 |
| 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 From 715 (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 | 505,701 |
| 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 | 505,701 |

**Taxable Income**

| From 10 (or 20 if applicable) | Ontario Allocation | | Number of Days in Taxation Year | | | | | |
|---|---|---|---|---|---|---|---|---|
| 505,701 X 30 | 100.0000 | % X 12.5% X | Days after Dec. 31, 2002 and before Jan 1, 2004: 33 | ÷ 73 | Total Days: 366 | = + | 29 | |
| 505,701 X 30 | 100.0000 | % X 14.0% X | Days after Dec 31, 2003: 34 366 | ÷ 73 | Total Days: 366 | = + | 32 | 70,798 |
| **Income Tax Payable** (before deduction of tax credits) | | | 29 + 32 | | | = + | 40 | 70,798 |

### Incentive Deduction for Small Business Corporations (IDSBC) (s.41) ( If this section is not completed, 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) [X] Yes [ ] No

| | | | |
|---|---|---|---|
| * Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) | | 50 | 505,701 |
| Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) | + 51 | 505,701 | |
| 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 | | |
| | = | 505,701 | 54 505,701 |
| 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 Sch.23). Enter 100% if not associated. 48 100.0000 % | = 45 | 400,000 | |

**Income eligible for the IDSBC** From 30 100.0000 % X 56 400,000 = 60 400,000

*** Ontario Allocation — 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 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*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

DOLLARS ONLY

## Income Tax *continued from Page 4*

**Number of Days in Taxation Year**

**Calculation of IDSBC Rate** 7.0% X [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 60 400,000 • X From 78 8.5000 % = 70 34,000 •

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.

***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) + 80 505,701 •

***If you are a member of an associated group*** (X) 81 [X] (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 = 85 505,701 •

**Number of Days in Taxation Year**

320,000 X [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) = 86 105,701 •

**Number of Days in Taxation Year**

**Calculation of Specified Rate for Surtax** 4.667% X [Days after Dec 31, 2002: 38] 366 ÷ [Total Days: 73] 366 = + 97 4.6670

From 86 105,701 • X From 97 4.6670 % = 87 4,933 •

From 87 4,933 • X From 60 400,000 • ÷ From 114 400,000 • = 88 4,933 •

**Surtax** Lesser of 70 or 88 = 100 4,933

* ***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*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

DOLLARS ONLY

## Income Tax *continued from Page 5*

**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] 400,000

Add: Adjustment for Surtax on Canadian-controlled private corporations

From [100] 4,933 ÷ From [30] 100.0000 % ÷ From [78] 8.5000 % = [121] 58,035

*Ontario Allocation

Lesser of [56] or [121] - - - - - - - - - - - - - - - - - - - - - - - - + [122] 58,035

[120] − [56] + [122] - - - - - - - - - - - - - - - - - - - - - - - - = [130]

**Taxable Income** - - - - - - - - - - - - - - - - - - - - - - - - + From [10] 505,701

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - - - - - - - − From [56] 400,000

Add: Adjustments for Surtax on Canadian-controlled private corporations - - - - - - - - - - - - + From [122] 58,035

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] 163,736

**Claim**

**Number of Days in Taxation Year**

[143] Lesser of 130 or 142 _____ X From [30] 100.0000 % X 1.5% X

Days after Dec. 31, 2002 and before Jan. 1, 2004: [33] ÷ [73] Total Days 366

=+ [154]

[143] Lesser of 130 or 142 _____ X From [30] 100.0000 % X 2.0% X

Days after Dec 31, 2003: [34] 366 ÷ [73] Total Days 366

=+ [156]

*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] 41,731

*continued on Page 7*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

## Income Tax *continued from Page 6*

*DOLLARS ONLY*

### 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 graduate, 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 14)* - - - - - - - - - - - - - - - - + 203

**Total Specified Tax Credits** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 = 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 41,731

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.**

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

DOLLARS ONLY

## Corporate Minimum Tax (CMT)

**Total Assets of the corporation** - - - - - - - - - - - - - - - - - - + 240 10,169,212.

**Total Revenue of the corporation** - - - - - - - - - - - - - - - - - - - - - - - - - - - - + 241 2,852,785.

*The above amounts include the corporation's and associated corporation's share of any partnership(s) / joint venture(s) total assets and total revenue.*

***If you are a member of an associated group*** (x) 242 [X] (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 10,169,212.

Aggregate Total Revenue 241 + 244 + 246 + 248, etc - - - - - - - - - - - - - - - - - - = 250 2,852,785.

### 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 Sch. 101 2136 590,921. (if negative, enter zero) X From 30 100.0000 (Ontario Allocation) % X 4% = 276 23,637.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)* - - - - - - - - - - - - - - - - - - -

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

DOLLARS ONLY

## 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 (inculding 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 | 2,085,925 |
| Retained earnings (if deficit, deduct)(Int.B. 3012R) | ± | 351 | 1,481,066 |
| Capital and other surpluses, excluding appraisal surplus (Int.B.3012R) | + | 352 | |
| Loans and advances *(Attach schedule)*(Int.B.3013R) | + | 353 | 4,858,775 |
| 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 | 1,241,575 |
| Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))(Int.B.3017R)* | + | 362 | |
| **Subtotal** | = | 370 | 9,667,341 |
| 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 | 9,667,341 |
| 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 | 9,667,341 |

### Eligible Investments *(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*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

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## Capital Tax *continued from Page 9*

### Total Assets (Int.B.3015R)

| | | | |
|---|---|---|---|
| Total Assets per balance sheet | + | 420 | 10,169,212 |
| 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 | 10,169,212 |
| Amounts in 360 and 361 (if deducted from assets) | + | 440 | 1,241,575 |
| 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 | 11,410,787 |

**Investment Allowance** ( 410 ÷ 450 ) X 390 — **Not to exceed** 410 = 460

**Taxable Capital** 390 - 460 = 470 9,667,341

**Gross Revenue** (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) - 480 2,852,785

**Total Assets** (as adjusted) From 430 10,169,212

## 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 | 35 366 ÷ | 73 366 | = + 500 | 5,000,000 |
| | | Days after Dec 31, 2004 and before Jan. 1, 2006 | Total Days | | |
| 7,500,000 | X | 36 ÷ | 73 366 | = + 501 | |
| | | Days after Dec 31, 2005 and before Jan. 1, 2007 | Total Days | | |
| 10,000,000 | X | 37 ÷ | 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 9,667,341

\- From 503

= 471 X From 30 100.0000 (Ontario Allocation) % X 0.3% X 555 366 (365 (366 if leap year) If floating taxation year, refer to Guide) -- (Days in taxation year) =+ 523

Transfer to 543 on page 12 and complete the return from that point

*continued on Page 11*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

DOLLARS ONLY

## 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 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 assets 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 9,667,341

***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 |
|---|---|---|---|---|
| See schedule CT21 | | | + 531 | 517,683 |
| | | | + 532 | |
| | | | + 533 | |

Aggregate Taxable Capital 470 + 531 + 532 + 533, etc - - - - - - - - - - - - - - - - - - = 540 10,185,024

If 540 above is equal to or less than 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 9,667,341 ÷ From 540 10,185,024 X From 503 5,000,000 = 541 4,745,861

*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] 9,667,341 | | | | | | | | **Total Capital Tax for the taxation year** | |
| − | [542] 4,745,861 | | | | | | Days in taxation year | | | |
| = | [471] 4,921,480 | X From | [30] 100.0000 | % X 0.3% X | [555] 366 | =+ | [523] 14,764 | |
| | | | Ontario Allocation | | *365 (366 if leap 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] 9,667,341 | X From | [30] 100.0000 | % X 0.3% - - - - - - - | =+ | [561] | |
| | | | Ontario Allocation | | | | |

- 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**

| | | | | | |
|---|---|---|---|---|---|
| **Capital tax-** - - - - - - - - - - - - - - - [562] | | X | [555] 366 | = | [563] |
| | | | *365 (366 if leap 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] | 14,764 |
| Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* - - - - - - - - - - - | − [546] | |
| **Capital Tax** [543] - [546] *(amount cannot be negative)* - - - - - - - - - - - - - - - - - - - - - - - | = [550] | 14,764 |

*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 Days in taxation year [555] 366 ÷ *365 = + [569] _____

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — (366 if leap year)

[570] _____ X [571] _____ % X From [30] 100.0000 % X Days in taxation year [555] 366 ÷ *365 = + [574] _____

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — (366 if leap 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 - - - - - -

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

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## 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** ± 600 505,701.
*Transfer to Page 15*

**Add:**

| | | |
|---|---|---|
| Federal capital cost allowance | + 601 | 556,421. |
| Federal cumulative eligible capital deduction | + 602 | 20,924. |
| 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 5/14.0 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 = 577,345. 640 577,345.
*Transfer to Page 15*

**Deduct:**

| | | |
|---|---|---|
| Ontario capital cost allowance(excludes amounts deducted under 675) | + 650 | 556,421. |
| Ontario cumulative eligible capital deduction | + 651 | 20,924. |
| 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 = 681 577,345.
*Transfer to Page 15*

*continued on Page 15*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

DOLLARS ONLY

## 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 ± 600 505.701

Total of Additions on Page 14 - From = 640 577.345

Sub Total of deductions on page 14 - From = 681 577.345

**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 _____ 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 - = 577.345 ▶ 680 577.345

**Net income (loss) for Ontario Purposes** 600 + 640 − 680 - = 690 505.701

*Transfer to Page 4*

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

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) | 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) | 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) <NIL> | 719 <NIL> | 729 <NIL> | 739 | 749 <NIL> | 759 <NIL> |

## 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 1995/12/31 | 817 (9) | 860 (9) | | 850 | 870 |
| 801 1996/12/31 | 818 (9) | 861 (9) | | 851 | 871 |
| 802 1997/12/31 | 819 (9) | 862 (9) | | 852 | 872 |
| 803 1998/12/31 | 820 | 830 | 840 | 853 | 873 |
| 804 1999/12/31 | 821 | 831 | 841 | 854 | 874 |
| 805 2000/12/31 | 822 | 832 | 842 | 855 | 875 |
| 806 2001/12/31 | 823 | 833 | 843 | 856 | 876 |
| 807 2002/12/31 | 824 | 834 | 844 | 857 | 877 |
| 808 2003/12/31 | 825 | 835 | 845 | 858 | 878 |
| 809 2004/12/31 | 826 | 836 | 846 | 859 | 879 |
| **Total** | 829 <NIL> | 839 <NIL> | 849 <NIL> | 869 <NIL> | 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.

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

DOLLARS ONLY

## 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 Corporations's Tax Account No. (MOF) | Taxation Year Ending YYYY MM DD | 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 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 | 41,731 | |
| Corporate Minimum Tax | + From 280 | | |
| Capital Tax | + From 550 | 14,764 | |
| Premium Tax | + From 590 | | |
| **Total Tax Payable** | = 950 | 56,495 | |
| 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 | | |
| **Balance** | = 970 | 56,495 | |
| **If payment due** - Enclosed* | 990 | 56,495 | |
| **If overpayment: Refund**(*Refer to Guide*) year month day | = 975 | | |
| **Apply to** | 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)

George McEachern

Title

President

Full Residence Address

195 Progress Drive

Gravenhurst ON

P1P1X4 CA

Signature

Date 16/03/2005

**Note:** Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

# Corporate Minimum Tax (CMT)
## CT23 Schedule 101



| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

## Part 1: Calculation of CMT Base

**Banks** - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

**Life Insurance corporations** - Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 459,829

**Subtract (to the extent reflected in net income/loss):**

| | | | |
|---|---|---|---|
| Provision for recovery of income taxes / benefit of current income taxes | + | 2101 | |
| Provision for deferred income taxes (credits) / benefit of future income taxes | + | 2102 | |
| Equity income from corporations | + | 2103 | |
| Share of partnership(s)/joint venture(s) income | + | 2104 | |
| Dividends received/receivable deductible under fed.s.112 | + | 2105 | |
| Dividends received/receivable deductible under fed.s.113 | + | 2106 | |
| Dividends received/receivable deductible under fed.s.83(2) | + | 2107 | |
| Dividends received/receivable deductible under fed.s.138(6) | + | 2108 | |
| Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) _____ X 3 | + | 2109 | |
| **Subtotal** | = | | 2110 |

**Add (to extent reflected in net income/loss):**

| | | | |
|---|---|---|---|
| Provision for current taxes / cost of current incomes taxes | + | 2111 | 131,092 |
| Provision for deferred income taxes (debits) / cost of future income taxes | + | 2112 | |
| Equity losses from corporations | + | 2113 | |
| Share of partnership(s)/joint venture(s) losses | + | 2114 | |
| Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) | + | 2115 | |
| **Subtotal** | = | 131,092 | 2116 131,092 |

**Add/Subtract:**

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

| | | | | | |
|---|---|---|---|---|---|
| ** Fed. s.85 | + | 2117 | or - | 2118 | |
| ** Fed. s.85.1 | + | 2119 | or - | 2120 | |
| ** Fed. s.97 | + | 2121 | or - | 2122 | |
| ** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years | + | 2123 | or - | 2124 | |
| ** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years | + | 2125 | or - | 2126 | |
| ** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years | + | 2127 | or - | 2128 | |
| Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income | | | - | 2150 | |

| | | | |
|---|---|---|---|
| **Subtotal (Additions)** | = | | + 2129 |
| **Subtotal (Subtractions)** | = | | 2130 |
| ** Other adjustments | | | ± 2131 |
| **Subtotal** ± 2100 − 2110 + 2116 + 2129 − 2130 ± 2131 | | | = 2132 590,921 |
| ** Share of partnership(s)/joint venture(s) **adjusted** net income/loss | | | ± 2133 |
| **Adjusted net income (loss)** (if loss, transfer to 2202 in ***Part 2: Continuity of CMT Losses Carried Forward.***) | | | = 2134 590,921 |

| | | | |
|---|---|---|---|
| Deduct * CMT losses: pre-1994 Loss | + From | 2210 | |
| * CMT losses: other eligible losses | + | 2211 | |
| | = | | 2135 |

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this schedule.*

**CMT Base** = 2136 590,921

***Transfer to CMT Base, Page 8 of the CT23 or Page 6 of the CT8***

# Corporate Minimum Tax (CMT)
# CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

## Part 2: Continuity of CMT Losses Carried Forward

**Balance at Beginning of year** NOTE (1), (2) + 2201

**Add:**
- Current year's losses + 2202
- Losses from predecessor corporations on amalgamation NOTE (3) + 2203
- Losses from predecessor corporations on wind-up NOTE (3) + 2204
  - Amalgamation ( X ) 2205 ☐ Yes  Wind-up ( X ) 2206 ☐ Yes

**Subtotal** = ▶ + 2207

Adjustments (attach schedule) ± 2208

**CMT losses available** 2201 + 2207 ± 2208 = 2209

**Subtract:**
- Pre-1994 loss utilized during the year to reduce adjusted net income + 2210
- Other eligible losses utilized during the year to reduce adjusted net income NOTE (4) + 2211
- Losses expired during the year + 2212

**Subtotal** = ▶ 2213

**Balance at End of Year** NOTE (5) 2209 − 2213 = 2214

***Notes:***

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2134 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

## Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

| Year of Origin (oldest year first) year month day | CMT Losses of Corporation | CMT Losses of Predecessor Corporations |
|---|---|---|
| 2240 1995/12/31 | 2260 | 2280 |
| 2241 1996/12/31 | 2261 | 2281 |
| 2242 1997/12/31 | 2262 | 2282 |
| 2243 1998/12/31 | 2263 | 2283 |
| 2244 1999/12/31 | 2264 | 2284 |
| 2245 2000/12/31 | 2265 | 2285 |
| 2246 2001/12/31 | 2266 | 2286 |
| 2247 2002/12/31 | 2267 | 2287 |
| 2248 2003/12/31 | 2268 | 2288 |
| 2249 2004/12/31 | 2269 | 2289 |
| Totals | 2270 | 2290 |

***The sum of amounts*** 2270 + 2290 ***must equal amount in*** 2214 .

# Corporate Minimum Tax (CMT)
# CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

## Part 4: Continuity of CMT Credit Carryovers

**Balance at Beginning of year** NOTE (1) - - - - - - - - - - - - - - - - - - - - - + 2301

**Add:** Current year's CMT credit ( 280 on page 8 of the CT23 or 347 on page 6 of the CT8. If negative, enter NIL) - - - + From 280 or 347

Gross Special Additional Tax NOTE (2) 312 on page 5 of CT8. (Life Insurance corporations only. Others enter NIL.) + From 312

Subtract Income Tax ( 190 on page 6 of the CT23 or page 4 of the CT8) - From 190 41,731

**Subtotal** (If negative, enter NIL) - - - - - - = 2305

Current year's CMT credit (if negative, entre NIL) 280 or 347 - 2305 - - - - - - = + 2310

CMT Credit Carryovers from predecessor corporations NOTE (3) - - - - - - - - - - - - - - - - + 2325

Amalgamation ( X ) 2315 ☐ Yes Wind-up ( X ) 2320 ☐ Yes

**Subtotal** 2301 + 2310 + 2325 - - - - - - - - - - - - - - - - - - - - - - - - - = 2330

Adjustments *(Attach schedule)* - - - - - - - - - - - - - - - - - - - - - - - - - - - - ± 2332

**CMT Credit Carryover available** 2330 ± 2332 - - - - - - - - - - - - - - - - - - - - = 2333

*Transfer to Page 8 of the CT23 or Page 6 of the CT8*

**Subtract:** CMT Credit utilized during the year to reduce income tax ( 310 on page 8 of the CT23 or 351 on page 6 of the CT8.) + From 310 or 351

CMT Credit expired during the year - - - - - - - - - - + 2334

**Subtotal** - - - - - - - - - - - - - - - - - - - - - - - - - = - 2335

**Balance at End of Year** NOTE (4) 2333 – 2335 - - - - - - - - - - - - - - - - - - - - = 2336

***Notes:***

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).

(3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(4) Amount in 2336 must equal sum of 2370 + 2390 .

## Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

| | Year of Origin (oldest year first) Y Y Y Y M M D D | CMT Credit Carryovers of Corporation | CMT Credit Carryovers of Predecessor Corporation(s) |
|---|---|---|---|
| 2340 | 1995/12/31 | 2360 | 2380 |
| 2341 | 1996/12/31 | 2361 | 2381 |
| 2342 | 1997/12/31 | 2362 | 2382 |
| 2343 | 1998/12/31 | 2363 | 2383 |
| 2344 | 1999/12/31 | 2364 | 2384 |
| 2345 | 2000/12/31 | 2365 | 2385 |
| 2346 | 2001/12/31 | 2366 | 2386 |
| 2347 | 2002/12/31 | 2367 | 2387 |
| 2348 | 2003/12/31 | 2368 | 2388 |
| 2349 | 2004/12/31 | 2369 | 2389 |
| Totals | | 2370 | 2390 |

***The sum of amounts*** 2370 + 2390 ***must equal amount in*** 2336 .

# CAPITAL COST ALLOWANCE (CCA)

**SCHEDULE 8 - Ontario**

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

| 1<br>Class no. | Description | 2<br>Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule) | 3<br>Cost of acquisitions during the year (new property must be available for use)<br>See note 1 below | 4<br>Net adjustments (show negative amounts in brackets) | 5<br>Proceeds of dispositions during the year (amount not to exceed the capital cost) | 6<br>Ontario undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5) | 7<br>50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)<br>See note 2 below | 8<br>Reduced undepreciated capital cost (column 6 minus column 7) | 9<br>CCA rate % | 10<br>Ontario capital cost allowance (column 8 mulitiplied by column 9; or a lower amount) | 11<br>Ontario undepreciated capital cost at the end of the year (column 6 minus column 10) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Buildings | 377,784 | 11,253 | | | 389,037 | 5,627 | 383,410 | 4.0 | 15,336 | 373,701 |
| 1 | | 6,163,755 | 462,358 | | | 6,626,113 | 231,179 | 6,394,934 | 4.0 | 255,797 | 6,370,316 |
| 8 | Equipment | 27,664 | | | | 27,664 | | 27,664 | 20.0 | 5,533 | 22,131 |
| 10 | Computer E | 53,202 | 26,921 | | | 80,123 | 13,461 | 66,662 | 30.0 | 19,999 | 60,124 |
| 8 | Equipment | 9,445 | | | | 9,445 | | 9,445 | 20.0 | 1,889 | 7,556 |
| 10 | | 470,029 | | | | 470,029 | | 470,029 | 30.0 | 141,009 | 329,020 |
| 8 | Equipment | 570,203 | | | | 570,203 | | 570,203 | 20.0 | 114,041 | 456,162 |
| 8 | | 14,086 | | | | 14,086 | | 14,086 | 20.0 | 2,817 | 11,269 |
| | Totals | 7,686,168 | 500,532 | | | 8,186,700 | 250,267 | 7,936,433 | | 556,421 | 7,630,279 |

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

# CAPITAL COST ALLOWANCE (CCA)

SCHEDULE 8SUM - Ontario

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 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 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) 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 mulitiplied by column 9; or a lower amount) | 13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 10) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| reg | 7,686,168 | 500,532 | | | 8,186,700 | 250,267 | 7,936,433 | | | | 556,421 | 7,630,279 |
| 10.1 | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | |
| 34 | | | | | | | | | | | | |
| Rental | | | | | | | | | | | | |
| | | | | | | | | **Totals** | | | 556,421 | |

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 acquistions 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

# Ontario Cumulative Eligible Capital Deduction Schedule 10

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

## Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at end of preceding taxation year *(if negative, enter zero)* ..... 298,919 **A**

**Add:** Cost of eligible capital property acquired during the taxation year ..... + _____ **B**

Amount transferred on amalgamation or wind-up of subsidiary ..... + _____ **C**

Other adjustments ..... + _____ **D**

**Total of B + C + D** ..... = _____ x 3/4 = _____ **E**

**Subtotal A + E** ..... = 298,919 **F**

**Deduct:** Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year ..... + _____ **G**

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada) ..... + _____ **H**

Other adjustments ..... + _____ **I**

**Total of G + H + I** ..... = _____ x 3/4 = _____ **J**

**Ontario Cumulative eligible capital balance F - J** ..... = 298,919 **K**

***If amount K is negative, enter zero at line M and proceed to Part 2***

**Current year deduction** 298,919 K x 7% * ..... = 20,924 **L**

** The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.* Enter the amount in box 651 of the CT23

**Ontario cumulative eligible capital - closing balance K - L** (if negative, enter zero) ..... = 277,995 **M**

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

## Part 2 - Amount to be included in income arising from dispostion

***Only Complete this part only if the amount at line K is negative***

Amount from line K above *show* as a positive amount. ..... _____ **N**

Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 ..... _____ **1**

Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA ..... _____ **2**

Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 ..... _____ **3**

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 ..... _____ **4**

Line 3 deduct line 4 ..... _____ _____ **5**

Total lines 1 + 2 + 5 ..... _____ **6**

Line T From previous Ontario Schedule 10 for taxation years ending after February 27, 2000 ..... _____ **7**

Deduct line 7 from line 6 ..... _____ _____ **O**

N- O *(cannot be negative)* ..... _____ **P**

Amount on line 5 _____ X 1/2 ..... _____ **Q**

P - Q ..... _____ **R**

Amount on line R _____ X 2/3 ..... _____ **S**

Lesser of line N or line O ..... _____ **T**

Amount to be included in income S + T ..... _____

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

Ontario

Ministry of Finance

Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa, ON L1H 8E9

# Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

**Schedule CT21**

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2004/12/31 |

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

| Name of Associated Corporation (Must have a PE in Canada) | Corporations Tax Account No. (MOF) (if applicable) | Taxation Year End | Taxable capital |
|---|---|---|---|
| Gravenhurst Hydro Electric | 7317703 | 2004/12/31 | 9,667,341 |
| Gravenhurst Energy Service | 1800255 | 2004/12/31 | 482,480 |
| Gravenhurst Power Inc | 7317696 | 2004/12/31 | 35,203 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
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| | | | |
| | | | |
| | | | |
| | | | |

**Aggregate of taxable capital** 10,185,024

*(Transfer to* 540 *of the CT23)*

Ministry of Finance
Ontario

Corporations Tax Branch
P.O. Box 620
33 King Street West
Oshawa, Ontario
L1H 8E9

# Payment Advice

**Enter the amount of payment and indicate taxation year**

| Account Number | Date of Incorporation |
|---|---|
| 7317703 | year month day 2000/10/25 |
| Name: Gravenhurst Hydro Electric Inc. | |

| Taxation year end | Payment Amount |
|---|---|
| year month day 2004/12/31 | $ 56,495 |
| | $ |
| **Total Payment** | $ 56,495 |

Submit this Payment Advice with your cheque (drawn on a Canadian financial institution) or money order, in Canadian funds, payable to: the Minister of Finance.

Send to: Ontario Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa On L1H 8E9

**Cull, Gordon, Gingrich & Harris**
**152-3 Manitoba Street**
**Bracebridge, Ontario P1L 1T7**
**(705)645-5255**

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March 16, 2005

Gravenhurst Hydro Electric Inc.
195 Progress Drive
P.O. Box 250
Gravenhurst, ON P1P1T6
CA
(705)687-2321

**Ontario corporate tax account # : 7317703**

To Whom It May Concern:

This is to authorize the Ministry of Finance to discuss any and all matters pertaining to the above corporation's tax return(s) for the year ended December 31, 2004 and prior taxation years with the firm named below:

Cull, Gordon, Gingrich & Harris
152-3 Manitoba Street
Bracebridge, Ontario P1L 1T7
(705)645-5255

This authorization revokes all previous authorizations and has effect until rescinded in writing.

Yours truly,

George McEachern
Signing Officer
Gravenhurst Hydro Electric Inc.

| Name of Corporation | Business Number | Taxation Year End | Year Month Day |
|---|---|---|---|
| Gravenhurst Hydro Electric Inc. | 891085615 RC 0001 | | 2004/12/31 |

## SUMMARY OF TAX AND CREDITS and SCHEDULE OF INSTALMENTS

INSTAL

| | |
|---|---|
| Part I tax payable | 84,861 |
| Part I.3 tax payable | |
| Part IV tax payable | |
| Part IV.1 tax payable | |
| Part VI.1 tax payable | |
| Part XIV tax payable | |
| Provincial tax payable, net of credits | 41,731 |
| Total tax payable | 126,592 |
| Less: ITC refund and Resource deduction | |
| Dividend refund | |
| Tax owing (refundable) | 126,592 |

### Schedule of Instalments: **

| | | Federal | Ontario | Alberta |
|---|---|---|---|---|
| Total estimated tax owing | | 84,861 | 41,731 | |
| Less: Instalments to date | | | | |
| Balance remaining | | 84,861 | 41,731 | |
| Date of Payment: | | | | |
| 1: | 2005/06/30 | 42,431 | 20,866 | |
| 2: | 2005/07/31 | 7,071 | 3,477 | |
| 3: | 2005/08/31 | 7,071 | 3,477 | |
| 4: | 2005/09/30 | 7,072 | 3,477 | |
| 5: | 2005/10/31 | 7,072 | 3,478 | |
| 6: | 2005/11/30 | 7,072 | 3,478 | |
| 7: | 2005/12/31 | 7,072 | 3,478 | |

### Ontario Quarterly Instalments:

| Date of Payment: | | Ontario Instalments payable * |
|---|---|---|
| 1: | 2005/06/30 | |
| 2: | 2005/09/30 | |
| 3: | 2005/12/31 | |
| 4: | 2005/12/31 | |
| | | |

Do not use the quarterly payment option even if eligible.
Enter "X" to continue monthly payments..... X

* For Ontario instalments, corporations are allowed to pay quarterly instalments if their tax payable is greater than or equal to $2,000 and less than $10,000. Applicable for taxation years commencing after 2001.

** Please note, Cantax is using the estimated method of instalments.

200

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

# T2 CORPORATION INCOME TAX RETURN

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 89108 5615 RC0001

Corporation's name

002 Gravenhurst Hydro Electric Inc.

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 55 Taunton Road East

012

City: 015 Ajax

Province, territory, or state: 016 ON

Country (other than Canada): 017 CA

Postal code/ZIP code: 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 [X]

021 c/o

022

023

City: 025

Province, territory, or state: 026

Country (other than Canada): 027

Postal code/ZIP code: 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

032

City: 035

Province,territory, or state: 036

Country (other than Canada): 037

Postal code/ZIP code: 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: 060 2005-01-01 YYYY MM DD

Taxation year end: 061 2005-10-31 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes [X] 2 No [ ]

If *Yes*, provide the date control was acquired . . . . . 065 2005-11-01 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 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 [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 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 [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

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 | | 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 | X | 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 | 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 | Hydro Distribution | 285 | 97.500 % |
| 286 | Other | 287 | 2.500 % |
| 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 | 590,420 | 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") | | 590,420 | C |
| **Add:** Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions | 355 | | D |
| Taxable income (amount C plus amount D) | 360 | 590,420 | |
| 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) | | 590,420 | 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 . . . . . 400 590,420 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 . . . . . 405 590,420 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 | 304 | = | 1 |
| 250,000 | x | Number of days in the taxation year in 2004 / Number of days in the taxation year | 304 | = | 2 |
| 300,000 | x | Number of days in the taxation year after 2004 / Number of days in the taxation year | 304 / 304 | = 300,000 | 3 |

Add amounts at lines 1, 2, and 3 300,000 4

Business limit (see notes 1 and 2 below) . . . . . 410 174,808 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 174,808 x 415 *** D / 11,250 = . . . . . E

Reduced business limit (amount C minus amount E) (if negative, enter "0") . . . . . 425 174,808 F

Small business deduction – 16.00 % of whichever amount is the least: A, B, C, or F . . . . . 430 27,969 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) . . . . . 174,808 x 300,000 / line 4 above = 174,808 A

Net active business income (amount from line 400) * . . . . . 590,420 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 590,420 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) . . . . . D

Amount C minus amount D (if negative, enter "0") . . . . . 590,420 ▶ 590,420 E

Amount A, B, or E above, whichever is less . . . . . 174,808 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 174,808 K

Total of amounts G, H, I, J, and K . . . . . 174,808 ▶ 174,808 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 304 x 2 % = _____ B

Amount A _____ x Number of days in the taxation year in 2005 304 / Number of days in the taxation year 304 x 3 % = _____ C

Amount A _____ x Number of days in the taxation year in 2006 _____ / Number of days in the taxation year 304 x 5 % = _____ D

Amount A _____ x Number of days in the taxation year after 2006 _____ / Number of days in the taxation year 304 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 . . . . . 590,420 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 . . . . . 174,808 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 . . . . . 174,808 ▶ 174,808 I

Amount A minus amount I (if negative, enter "0") . . . . . 415,612 J

Amount J 415,612 x Number of days in the taxation year after 2003 304 / Number of days in the taxation year 304 x 7 % = 29,093 K

General tax reduction for Canadian-controlled private corporations – amount K . . . . . 29,093 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 304 / Number of days in the taxation year 304 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 3 590,420

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is the least 174,808

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 = _____

174,808 ▶ 174,808

415,612

x 26 2/3 % = 110,830 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) 114,869

Deduct: Corporate surtax from line 600 of page 7 6,613

Net amount 108,256 ▶ 108,256 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 ..... 550 224,360 A

Corporate surtax calculation

| | | |
|---|---|---|
| Base amount from line A above | 224,360 | 1 |
| Deduct: | | |
| 10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 | 59,042 | 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 | 6 |
| Part I tax otherwise payable (line A plus lines C and D minus line F) | c | |
| Total of lines 2 to 6 | 59,042 | 7 |
| Net amount (line 1 minus line 7) | 165,318 | 8 |

Corporate surtax – 4.00 % of the amount on line 8 ..... 600 6,613 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 | 590,420 | | |
| Deduct: | | | |
| Amount on line 400, 405, 410, or 425 of page 4, whichever is the least | 174,808 | | |
| Net amount | 415,612 | 415,612 | 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) 230,973 E

Deduct:

| | | | |
|---|---|---|---|
| Small business deduction from line 430 of page 4 | | 27,969 | 9 |
| Federal tax abatement | 608 | 59,042 | |
| 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 | 29,093 | |
| 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 | | 116,104 ▶ | 116,104 F |

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 114,869 G

## Summary of tax and credits

Federal tax

| | | |
|---|---|---|
| Part I tax payable from page 7 | 700 | 114,869 |
| 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 | | 114,869 |

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 | 114,869 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 | 112,000 |
| Total credits | 890 | 112,000 B |

Refund code 894 [ ] Overpayment

Balance (line A minus line B) 2,869

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 2,869

Enclosed payment 898 2,869

### 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 [X] 2 No [ ]

## Certification

I, 950 Clark (Last name) 951 Dave (First name) 954 Officer (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 2006-04-28 (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 [X] 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 [X] 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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-10-31 |

**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 | + | 2,909,127 | |
| | Total tangible capital assets | 2008 | + | 12,353,154 | |
| | Total accumulated amortization of tangible capital assets | 2009 | – | 5,174,526 | |
| | Total intangible capital assets | 2178 | + | 187,829 | |
| | Total accumulated amortization of intangible capital assets | 2179 | – | | |
| | Total long-term assets | 2589 | + | | |
| | * Assets held in trust | 2590 | + | | |
| | Total assets (mandatory field) | 2599 | = | 10,275,584 | |
| **Liabilities** | | | | | |
| | Total current liabilities | 3139 | + | 1,427,919 | |
| | Total long-term liabilities | 3450 | + | 4,949,047 | |
| | * Subordinated debt | 3460 | + | | |
| | * Amounts held in trust | 3470 | + | | |
| | Total liabilities (mandatory field) | 3499 | = | 6,376,966 | |
| **Shareholder equity** | | | | | |
| | Total shareholder equity (mandatory field) | 3620 | + | 3,898,618 | |
| | Total liabilities and shareholder equity | 3640 | = | 10,275,584 | |
| **Retained earnings** | | | | | |
| | Retained earnings/deficit – end (mandatory field) | 3849 | = | 1,812,693 | |

* 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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-10-31 |

## 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 | + | 2,217,193 | |
| | Cost of sales | 8518 | – | | |
| | Gross profit/loss | 8519 | = | 2,217,193 | |
| | Cost of sales | 8518 | + | | |
| | Total operating expenses | 9367 | + | 1,808,057 | |
| | Total expenses (mandatory field) | 9368 | = | 1,808,057 | |
| | Total revenue (mandatory field) | 8299 | + | 2,319,508 | |
| | Total expenses (mandatory field) | 9368 | – | 1,808,057 | |
| | Net non-farming income | 9369 | = | 511,451 | |
| **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 | = | 511,451 | |
| **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 | – | 179,824 | |
| | Net income/loss after taxes and extraordinary items (mandatory field) | 9999 | = | 331,627 | |

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SCHEDULE 141

# NOTES CHECKLIST

| Corporation's name | Business Number | Taxation year end Year Month Day |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-10-31 |

- 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 [ ] 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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-10-31 |

- 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 | | | 331,627 A |
| **Add:** | | | |
| Provision for income taxes – deferred | 102 | 179,824 | |
| Amortization of tangible assets | 104 | 512,318 | |
| Loss on disposal of assets | 111 | 4,029 | |
| Subtotal of additions | | 696,171 ▶ | 696,171 |
| **Other additions:** | | | |
| **Miscellaneous other additions:** | | | |
| Subtotal of other additions | 199 | 0 ▶ | 0 |
| **Total additions** | 500 | 696,171 ▶ | 696,171 |
| **Deduct:** | | | |
| Capital cost allowance from Schedule 8 | 403 | 421,170 | |
| Cumulative eligible capital deduction from Schedule 10 | 405 | 16,208 | |
| Subtotal of deductions | | 437,378 ▶ | 437,378 |
| **Other deductions:** | | | |
| **Miscellaneous other deductions:** | | | |
| Subtotal of other deductions | 499 | 0 ▶ | 0 |
| **Total deductions** | 510 | 437,378 ▶ | 437,378 |
| **Net income (loss) for income tax purposes** – enter on line 300 of the T2 return | | | 590,420 |

T2 SCH 1 E (01)

Canada

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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-10-31 |

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 | 373,701 | | | 0 | 373,701 | | 373,701 | 4 | 0 | 0 | 12,450 | 361,251 |
| 2 | 1 | 6,370,316 | 568,537 | | 0 | 6,938,853 | 284,269 | 6,654,584 | 4 | 0 | 0 | 221,698 | 6,717,155 |
| 3 | 8 | 22,131 | 8,474 | | 0 | 30,605 | 4,237 | 26,368 | 20 | 0 | 0 | 4,393 | 26,212 |
| 4 | 10 | 60,124 | 47,113 | | 1,200 | 106,037 | 22,957 | 83,080 | 30 | 0 | 0 | 20,759 | 85,278 |
| 5 | 8 | 7,556 | | | 0 | 7,556 | | 7,556 | 20 | 0 | 0 | 1,258 | 6,298 |
| 6 | 10 | 329,020 | 4,322 | | 0 | 333,342 | 2,161 | 331,181 | 30 | 0 | 0 | 82,750 | 250,592 |
| 7 | 8 | 456,162 | | | 0 | 456,162 | | 456,162 | 20 | 0 | 0 | 75,985 | 380,177 |
| 8 | 8 | 11,269 | | | 0 | 11,269 | | 11,269 | 20 | 0 | 0 | 1,877 | 9,392 |
| | Total | 7,630,279 | 628,446 | | 1,200 | 8,257,525 | 313,624 | 7,943,901 | | | | 421,170 | 7,836,355 |

* 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

T2 SCH 8 (99)

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 9

# RELATED AND ASSOCIATED CORPORATIONS

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-10-31 |

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. | Gravenhurst Energy Services Inc. | CA | 86423 0792 RC0001 | 3 | | | | | |
| 2. | Gravenhurst Power Inc. | CA | 86423 0990 RC0001 | 1 | | | | | |

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.

T2 SCH 9(99)

Canada

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

SCHEDULE 10

# CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-10-31 |

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

## Part 1 – Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0") **200** 277,995 A

Add:

Cost of eligible capital property acquired during the taxation year . . . . . **222**

Other adjustments . . . . . **226**

Subtotal (line 222 plus line 226) x 3 / 4 = B

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002 . . **228** x 1 / 2 = C

amount B minus amount C (if negative, enter "0") ▶ D

Amount transferred on amalgamation or wind-up of subsidiary . . . . . **224** E

Subtotal (add amounts A, D, and E) **230** 277,995 F

Deduct:

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year . . . . . **242** G

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) . . . . . **244** H

Other adjustments . . . . . **246** I

(add amounts G,H, and I) x 3 / 4 = **248** J

Cumulative eligible capital balance (amount F minus amount J) . . . . . 277,995 K

(if amount K is negative, enter "0" at line M and proceed to Part 2)

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business . . . . . **249**

amount K 277,995

less amount from line 249

Current year deduction . . . . . 277,995 x 7.00 % = **250** 16,208 *

(line 249 plus line 250) (enter this amount at line 405 of Schedule 1) 16,208 ▶ 16,208 L

Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0") . . . . . **300** 261,787 M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

T2 SCH 10 (04)

Canada

## Part 2 – Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

| | | | | |
|---|---|---|---|---|
| Amount from line K (show as positive amount) | | | | N |
| Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988 | 400 | | 1 | |
| Total of all amounts which reduced CEC in the current or prior years under subsection 80(7) | 401 | | 2 | |
| Total of CEC deductions claimed for taxation years beginning before July 1, 1988 | 402 | | 3 | |
| Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988 | 403 | | 4 | |
| Line 3 minus line 4 (if negative, enter "0") | | ▶ | 5 | |
| Total of lines 1, 2 and 5 | | | 6 | |
| Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400 | | | 7 | |
| Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000 | | | 8 | |
| Subtotal (line 7 plus line 8) | 409 | ▶ | 9 | |
| Line 6 minus line 9 (if negative, enter "0") | | | ▶ | O |
| Line N minus line O (if negative, enter "0") | | | | P |
| Line 5 _____ x 1 / 2 = | | | | Q |
| Line P minus line Q (if negative, enter "0") | | | | R |
| Amount R _____ x 2 / 3 = | | | | S |
| Amount N or amount O, whichever is less | | | | T |
| **Amount to be included in income** (amount S plus amount T) (enter this amount on line 108 of Schedule 1) | 410 | | | |

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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 |
|---|---|---|---|---|---|---|
| | Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 1 | 300,000 | 84.0000 | 209,885 |
| 1 | Gravenhurst Energy Services Inc. | 86423 0792 RC0001 | 1 | 300,000 | 16.0000 | 48,000 |
| 2 | Gravenhurst Power Inc. | 86423 0990 RC0001 | 1 | 300,000 | | |
| | | | | Total | 100.0000 | 257,885 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.

T2 SCH 23 (04)

Canada

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 |
|---|---|---|---|---|
| | Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 49,350,000 | |
| 1 | Gravenhurst Energy Services Inc. | 86423 0792 RC0001 | 50,000 | 2005-10-31 |
| 2 | Gravenhurst Power Inc. | 86423 0990 RC0001 | 600,000 | 2005-10-31 |

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.

T2 SCH 36 (04)

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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-10-31 |

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 | Gravenhurst Power Inc. | 86423 0990 RC0001 | | 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.

T2 SCH 50 (05)

Canada

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



Corporation's Legal Name *(including punctuation)*

Gravenhurst Hydro Electric Inc.

Ontario Corporations Tax Account No. (MOF)

7317703

Mailing Address

55 Taunton Rd. East

Ajax
ON CA L1T 3V3

This Return covers the Taxation Year

Start: year month day — 2005-01-01

End: year month day — 2005-10-31

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 — 2000-10-25

Registered/Head Office Address

55 Taunton Road East

Ajax
ON CA L1T 3V3

Ontario Corporation No. (MCBS): 1446745

Location of Books and Records

Canada Customs and Revenue Agency Business No.

If applicable, enter: 89108 5615 RC0001

| Name of person to contact regarding this CT23 Return | Telephone No. | Fax No. |
|---|---|---|
| Dave 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). ▶ [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)*

Dave Clark

Title D [ ] 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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-10-31 |

# 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) [ ] %

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 [ ] 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 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): 2005-11-01

| | 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 | 590,420 . |
| 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 715 | – | From 704 | . |
| 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 | 590,420 . |
| 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 | 590,420 . |

## Taxable Income

**Number of Days in Taxation Year**

From 10 (or 20 if applicable) 590,420 . x 30 Ontario Allocation 100.0000 % x 12.5 % x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 ___ ÷ Total Days 73 304) = + 29 .

From 10 (or 20 if applicable) 590,420 . x 30 Ontario Allocation 100.0000 % x 14 % x (Days after Dec. 31, 2003: 34 304 ÷ Total Days 73 304) = + 32 82,659 .

**Income Tax Payable** (before deduction of tax credits) 29 + 32 = 40 82,659 .

## 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) [X] Yes [ ] No

| | | | |
|---|---|---|---|
| * Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) | | 50 | 590,420 . |
| Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) | + 51 | 590,420 . | |
| 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 | . | |
| | = | 590,420 . | 54 590,420 . |
| Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1) | | 55 | 174,808 . |

**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: 34 304 ÷ ** 365) = + 47 333,151 .

Business Limit for Ontario purposes 46 + 47 = 44 333,151 . x (Percentage of federal Business limit (from T2 Schedule 23). Enter 100% if not associated. 48 84.0000 %) = 45 279,847 .

**Income eligible for the IDSBC** From 30 ***Ontario Allocation 100.0000 % x 56 279,847 . = 60 279,847 .

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] 304) = + [89]

8.5 % x (Days after Dec 31, 2003 [34] 304 ÷ Total Days [73] 304) = + [90] 8.5000

IDSBC Rate for Taxation Year [89] + [90] = [78] 8.5000

Claim From [60] 279,847. x From [78] 8.5000 % = [70] 23,787.

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] 708,892.

***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) |
|---|---|---|---|
| Gravenhurst Energy Services Inc. | 1800255 | 2005-10-31 | + [82] . |
| Gravenhurst Power Inc. | 7317696 | 2005-10-31 | + [83] . |
| | | | + [84] . |

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. = [85] 708,892.

320,000 x (Number of Days in Taxation Year: Days after Dec 31, 2002 and before Jan 1, 2004 [31] ÷ Total Days [73] 304) = + [115] .

400,000 x (Days after Dec. 31, 2003 [34] 304 ÷ Total Days [73] 304) = + [116] 400,000.

[115] + [116] = 400,000. ▶ – [114] 400,000.

(If negative, enter nil) = [86] 308,892.

**Calculation of Specified Rate for Surtax** 4.6670 % x (Number of Days in Taxation Year: Days after Dec 31, 2002 [38] 304 ÷ Total Days [73] 304) = + [97] 4.6670

From [86] 308,892. x From [97] 4.6670 % = [87] 14,416.

From [87] 14,416. x From [60] 279,847. ÷ From [114] 400,000. = [88] 10,086.

**Surtax** Lesser of [70] or [88] = [100] 10,086

***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 56 279,847

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 10,086 ÷ From 30 100.0000 % ÷ From 78 8.5000 % = 121 118,659

*Ontario Allocation

Lesser of 56 or 121 + 122 118,659

120 – 56 + 122 = 130

**Taxable Income** + From 10 590,420

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) – From 56 279,847

Add: Adjustments for Surtax on Canadian-controlled private corporations + From 122 118,659

Subtract: Taxable Income 10 590,420 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 = 142 429,232

**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: 73 304) = + 154

Lesser of 130 or 142 — Ontario Allocation

143 ____ x From 30 100.0000 % x 2 % x (Days after Dec. 31, 2003: 34 304 ÷ Total Days: 73 304) = + 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 68,958

*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 68,958

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.**

*DOLLARS ONLY*

**Total Assets of the corporation** + 240 10,275,584 .

**Total Revenue of the corporation** + 241 2,784,936 .

*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 10,275,584 .

Aggregate Total Revenue 241 + 244 + 246 + 248 , etc. = 250 2,784,936 .

## 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 511,451 . (If negative, enter zero) X From 30 100.0000 % (Ontario Allocation) X 4 % = 276 20,458 .

Subtract: Foreign Tax Credit for CMT purposes *(Attach Schedule)* – 277 .

Subtract: Income Tax – From 190 68,958 .

**Net CMT Payable** (If negative, enter Nil on Page 17.) = 280 -48,500 .

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 68,958 .

Gross CMT Payable + From 276 20,458 .

Subtract: Foreign Tax Credit for CMT purposes – From 277 .

If 276 – 277 is negative, enter NIL in 290 = 20,458 . – 290 20,458 .

**Income Tax eligible for CMT Credit** = 300 48,500 .

B. Income Tax (after deduction of specified credits) + From 230 68,958 .

Subtract: CMT credit used to reduce income taxes – 310 .

**Income Tax** = 320 68,958 .

*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 | 2,085,925 |
| Retained earnings (if deficit, deduct) (Int.B. 3012R) | ± 351 | 1,812,693 |
| Capital and other surpluses, excluding appraisal surplus (Int.B.3012R) | + 352 | |
| Loans and advances *(Attach schedule)* (Int.B. 3013R) | + 353 | 4,665,775 |
| 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 | 1,445,277 |
| Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R) | + 362 | |
| **Subtotal** | = 370 | 10,009,670 |
| 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 | 10,009,670 |
| 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 | 10,009,670 |

### 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 | 69,969 |
| Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)* | + 407 | |
| **Total Eligible Investments** | = 410 | 69,969 |

*continued on Page 10*

## Capital Tax *continued from Page 9*

**Total Assets** (Int.B. 3015R) *DOLLARS ONLY*

| | | | |
|---|---|---|---|
| Total Assets per balance sheet | + | 420 | 10,275,584 |
| 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 | 10,275,584 |
| Amounts in 360 and 361 (if deducted from assets) | + | 440 | 1,445,277 |
| 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 | 11,720,861 |

**Investment Allowance** (410 ÷ 450) x 390 — Not to exceed 410 = 460 59,754

**Taxable Capital** 390 − 460 = 470 9,949,916

**Gross Revenue** (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 2,319,508

**Total Assets** (as adjusted) From 430 10,275,584

# 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 | 304 | = | + 500 | | |
| | | Days after Dec. 31, 2004 and before Jan. 1, 2006 | | Total Days | | | | | |
| 7,500,000 | x | 36 304 | ÷ | 73 | 304 | = | + 501 | 7,500,000 | |
| | | Days after Dec. 31, 2005 and before Jan. 1, 2007 | | Total Days | | | | | |
| 10,000,000 | x | 37 | ÷ | 73 | 304 | = | + 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 Days in taxation year 555 304 / 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 9,949,916 •

***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 |
|---|---|---|---|
| Gravenhurst Energy Services Inc. | 1800255 | 2005-10-31 | + 531 438,340 • |
| Gravenhurst Power Inc. | 7317696 | 2005-10-31 | + 532 35,200 • |
| | | | + 533 • |
| Aggregate Taxable Capital 470 + 531 + 532 + 533, etc. | | | = 540 10,423,456 • |

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 9,949,916 • ÷ From 540 10,423,456 • x From 503 7,500,000 • = 541 7,159,273 •

*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] | 9,949,916 . | | | | | | | | | | |
| – | [542] | 7,159,273 . | | | | | | | | | | |
| = | [471] | 2,790,643 . | x | From [30] | 100.0000 % Ontario Allocation | x | 0.3 % | x | [555] 304 / 365 * (366 if leap year) Days in taxation year | = | + [523] | 6,973 . |

**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] .

**Total Capital Tax for the taxation year**

**Capital Tax** – – – – – – – – [562] . x [555] 304 / 365 * (366 if leap year) Days in 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] | 6,973 . |
| Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* – – – – – – – – – – | – [546] | . |
| **Capital Tax** [543] – [546] *(amount cannot be negative)* – – – – – – – – – – – – – – – – – – | = [550] | 6,973 . |

*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] 304 ÷ * 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] 304 ÷ * 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 | 590,420 • *Transfer to page 15* |

### Add:

| | | | |
|---|---|---|---|
| Federal capital cost allowance | + | 601 | 421,170 • |
| Federal cumulative eligible capital deduction | + | 602 | 16,208 • |
| 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**

| | | Days after Dec. 31, 2002 and before Jan. 1, 2004 | | Total Days | | |
|---|---|---|---|---|---|---|
| 612 • | x 5 / 12.5 x | 33 | ÷ | 73 304 | =+ | 633 • |
| 612 • | x 5 / 14 x | 34 304 | ÷ | 73 304 | =+ | 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 = 437,378 • | ▶ | 640 | 437,378 • *Transfer to page 15* |

### Deduct:

| | | | |
|---|---|---|---|
| Ontario capital cost allowance (excludes amounts deducted under 675 ) | + | 650 | 421,170 • |
| Ontario cumulative eligible capital deduction | + | 651 | 16,208 • |
| 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 | 437,378 • *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 ± 600 590,420 •

Total of Additions on page 14 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - From = 640 437,378 •

Sub Total of deductions on page 14 - - - - - - - - - - - - - - - - - - - - From = 681 437,378 •

### 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 = 437,378 • ▶ 680 437,378 •

**Net income (loss) for Ontario Purposes** 600 + 640 − 680 - - - - - - - - - - - - - - - - - - = 690 590,420 •

*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) | 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) | 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) | 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 | 833 | 843 | 856 | 876 |
| 807 2nd preceding taxation year 2003-12-31 | 824 | 834 | 844 | 857 | 877 |
| 808 1st preceding taxation year 2004-12-31 | 825 | 835 | 845 | 858 | 878 |
| 809 Current taxation year 2005-10-31 | 826 | 836 | 846 | 859 | 879 |
| **Total** | 829 | 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 | 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 | 929 | 939 | 949 |

## Summary

| | | | |
|---|---|---|---|
| Income Tax | + From 230 or 320 | 68,958 . | |
| Corporate Minimum Tax | + From 280 | . | |
| Capital Tax | + From 550 | 6,973 . | |
| Premium Tax | + From 590 | . | |
| **Total Tax Payable** | = 950 | 75,931 . | |
| Subtract: Payments | – 960 | 52,044 . | |
| 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 | 23,887 . | |
| **If payment due** | Enclosed * 990 | 23,887 . | |
| **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)*

Dave Clark

Title

Officer

Full Residence Address

Signature

Date 2006-04-28

**Note:** Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

# Corporate Minimum Tax (CMT)



## CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-10-31 |

### Part 1: Calculation of CMT Base

**Banks** – Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

**Life insurance corporations** – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

| | | | | |
|---|---|---|---|---|
| Net Income/Loss (unconsolidated, determined in accordance with GAAP) | | | ± 2100 | 331,627 |
| **Subtract (to the extent reflected in net income/loss):** | | | | |
| Provision for recovery of income taxes / benefit of current income taxes | + 2101 | | | |
| Provision for deferred income taxes (credits) / benefit of future income taxes | + 2102 | | | |
| Equity income from corporations | + 2103 | | | |
| Share of partnership(s)/joint venture(s) income | + 2104 | | | |
| Dividends received/receivable deductible under fed.s.112 | + 2105 | | | |
| Dividends received/receivable deductible under fed.s.113 | + 2106 | | | |
| Dividends received/receivable deductible under fed.s.83(2) | + 2107 | | | |
| Dividends received/receivable deductible under fed.s.138(6) | + 2108 | | | |
| Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) | x 3 + 2109 | | | |
| **Subtotal** | = | | – 2110 | |
| **Add (to extent reflected in net income/loss):** | | | | |
| Provision for current taxes / cost of current income taxes | + 2111 | | | |
| Provision for deferred income taxes (debits) / cost of future income taxes | + 2112 | 179,824 | | |
| Equity losses from corporations | + 2113 | | | |
| Share of partnership(s)/joint venture(s) losses | + 2114 | | | |
| Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) | + 2115 | | | |
| **Subtotal** | = | 179,824 | + 2116 | 179,824 |
| **Add/Subtract:** | | | | |
| Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years | | | | |
| ** Fed.s.85 | + 2117 | or – 2118 | | |
| ** Fed.s.85.1 | + 2119 | or – 2120 | | |
| ** Fed.s.97 | + 2121 | or – 2122 | | |
| ** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years | + 2123 | or – 2124 | | |
| ** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years | + 2125 | or – 2126 | | |
| ** Amounts relating to s.57.10 election/ regulations for replacement re fed.s13(4), 14(6) and 44 for current/prior years | + 2127 | or – 2128 | | |
| Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income | | – 2150 | | |
| **Subtotal (Additions)** | = | | + 2129 | |
| **Subtotal (Subtractions)** | = | | – 2130 | |
| ** Other adjustments | | | ± 2131 | |
| **Subtotal** ± 2100 – 2110 + 2116 + 2129 – 2130 ± 2131 | | | = 2132 | 511,451 |
| ** Share of partnership(s)/joint venture(s) **adjusted** net income/loss | | | ± 2133 | |
| **Adjusted net income (loss)** (if loss, transfer to 2202 in ***Part 2: Continuity of CMT Losses Carried Forward.***) | | | = 2134 | 511,451 |
| Deduct: * CMT losses: pre-1994 Loss | + From 2210 | | | |
| * CMT losses: other eligible losses | + 2211 | | | |
| | = | | – 2135 | |

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this schedule.*

| | | |
|---|---|---|
| **CMT Base** | = 2136 | 511,451 |

*Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8*

# Corporate Minimum Tax (CMT)

## CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-10-31 |

## Part 2: Continuity of CMT Losses Carried Forward

| | | | | | |
|---|---|---|---|---|---|
| **Balance at Beginning of year** NOTES (1), (2) | | | | + 2201 | |
| **Add:** | Current year's losses | + 2202 | | | |
| | Losses from predecessor corporations on amalgamation NOTE (3) | + 2203 | | | |
| | Losses from predecessor corporations on wind-up NOTE (3) | + 2204 | | | |
| | Amalgamation (X) 2205 ☐ Yes Wind-up (X) 2206 ☐ Yes | | | | |
| **Subtotal** | | = | ▶ | + 2207 | |
| Adjustments (attach schedule) | | | | ± 2208 | |
| **CMT losses available** | 2201 + 2207 ± 2208 | | | = 2209 | |
| **Subtract:** | Pre-1994 loss utilized during the year to reduce adjusted net income | + 2210 | | | |
| | Other eligible losses utilized during the year to reduce adjusted net income NOTE (4) | + 2211 | | | |
| | Losses expired during the year | + 2212 | | | |
| **Subtotal** | | = | ▶ | − 2213 | |
| **Balances at End of Year** NOTE (5) | 2209 − 2213 | | | = 2214 | |

***Notes:***

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occured, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2134 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

## Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

| | Year of Origin (oldest year first) year month day | CMT Losses of Corporation | CMT Losses of Predecessor Corporations |
|---|---|---|---|
| 2240 | 9th preceding taxation year 1996-12-31 | 2260 | 2280 |
| 2241 | 8th preceding taxation year 1997-12-31 | 2261 | 2281 |
| 2242 | 7th preceding taxation year 1998-12-31 | 2262 | 2282 |
| 2243 | 6th preceding taxation year 1999-12-31 | 2263 | 2283 |
| 2244 | 5th preceding taxation year 2000-12-31 | 2264 | 2284 |
| 2245 | 4th preceding taxation year 2001-12-31 | 2265 | 2285 |
| 2246 | 3rd preceding taxation year 2002-12-31 | 2266 | 2286 |
| 2247 | 2nd preceding taxation year 2003-12-31 | 2267 | 2287 |
| 2248 | 1st preceding taxation year 2004-12-31 | 2268 | 2288 |
| 2249 | Current taxation year 2005-10-31 | 2269 | 2289 |
| **Totals** | | 2270 | 2290 |

***The sum of amounts*** 2270 + 2290 ***must equal amount in*** 2214.

# Corporate Minimum Tax (CMT)

## CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-10-31 |

### Part 4: Continuity of CMT Credit Carryovers

**Balance at Beginning of year** NOTE (1) . . . . . + 2301

**Add:** Current year's CMT Credit ( 280 on page 8 of the CT23 or 347 on page 6 of the CT8. If negative, enter NIL) + From 280 or 347

Gross Special Additional Tax NOTE (2) 312 on page 5 of CT8. (Life Insurance corporations only. Others enter NIL.) . . . . . + From 312

Subtract Income Tax ( 190 on page 6 of the CT23 or page 4 of the CT8) . . . . . − From 190

**Subtotal** (If negative, enter NIL) . . . = ▶ − 2305

Current year's CMT credit (If negative, enter NIL) 280 or 347 − 2305 . . . = ▶ + 2310

CMT Credit Carryovers from predecessor corporations NOTE (3) . . . . . + 2325

Amalgamation (X) 2315 ☐ Yes Wind-up (X) 2320 ☐ Yes

**Subtotal** 2301 + 2310 + 2325 . . . . . = 2330

Adjustments *(Attach schedule)* . . . . . ± 2332

**CMT Credit Carryover available** 2330 ± 2332 . . . . . = 2333

*Transfer to Page 8 of the CT23 or Page 6 of the CT8*

**Subtract:** CMT Credit utilized during the year to reduce income tax ( 310 on page 8 of the CT23 or 351 on page 6 of the CT8.) + From 310 or 351

CMT Credit expired during the year . . . . . + 2334

**Subtotal** . . . . . = ▶ − 2335

**Balances at End of Year** NOTE (4) 2333 − 2335 . . . . . = 2336

*Notes:*

**(1)** Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

**(2)** The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).

**(3)** Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

**(4)** Amount in 2336 must equal sum of 2370 + 2390.

### Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

| | Year of Origin (oldest year first) year month day | CMT Credit Carryovers of Corporation | CMT Credit Carryovers of Predecessor Corporation(s) |
|---|---|---|---|
| 2340 | 9th preceding taxation year 1996-12-31 | 2360 | 2380 |
| 2341 | 8th preceding taxation year 1997-12-31 | 2361 | 2381 |
| 2342 | 7th preceding taxation year 1998-12-31 | 2362 | 2382 |
| 2343 | 6th preceding taxation year 1999-12-31 | 2363 | 2383 |
| 2344 | 5th preceding taxation year 2000-12-31 | 2364 | 2384 |
| 2345 | 4th preceding taxation year 2001-12-31 | 2365 | 2385 |
| 2346 | 3rd preceding taxation year 2002-12-31 | 2366 | 2386 |
| 2347 | 2nd preceding taxation year 2003-12-31 | 2367 | 2387 |
| 2348 | 1st preceding taxation year 2004-12-31 | 2368 | 2388 |
| 2349 | Current taxation year 2005-10-31 | 2369 | 2389 |
| Totals | | 2370 | 2390 |

*The sum of amounts* 2370 + 2390 *must equal amount in* 2336.

# Corporate Minimum Tax (CMT)
## CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-10-31 |

### CMT Losses Carried Forward Workchart

**(i) Continuity of Pre-1994 CMT Losses**

| Date of the last tax year end before the corp's 1st tax year commencing after 1993 | Corporation's Pre-1994 Loss | Predecessors' Pre-1994 Loss Amalgamation | Predecessors' Pre-1994 Loss Wind-Up |
|---|---|---|---|
| Pre-1994 Loss (per schedule) | | | |
| Less: Claimed in prior taxation years commencing after 1993 | | | |
| Pre-1994 Loss available for the current year | | | |
| Less: Deducted in the current year (max. = adj. net income for the year) | | | |
| Expired after 10 years | | | |
| Pre-1994 Loss Carryforward | | | |

**(ii) Continuity of Other Eligible CMT Losses – Filing Corporation (for losses occurring in tax years commencing after 1993)**

| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 10th Prior Year | 1995-12-31 | | | | | |
| 9th Prior Year | 1996-12-31 | | | | | |
| 8th Prior Year | 1997-12-31 | | | | | |
| 7th Prior Year | 1998-12-31 | | | | | |
| 6th Prior Year | 1999-12-31 | | | | | |
| 5th Prior Year | 2000-12-31 | | | | | |
| 4th Prior Year | 2001-12-31 | | | | | |
| 3rd Prior Year | 2002-12-31 | | | | | |
| 2nd Prior Year | 2003-12-31 | | | | | |
| 1st Prior Year | 2004-12-31 | | | | | |
| | Total | | | | | |

**Predecessor Corporations Only – Amalgamation**

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 1995-12-31 | | | | | | |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| Total | | | | | | |

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-10-31 |

## CMT Losses Carried Forward Workchart (continued)

### Predecessor Corporations Only – Wind-Up

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 1995-12-31 | | | | | | |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| Total | | | | | | |

# Corporate Minimum Tax (CMT)
## CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-10-31 |

### CMT Credit Carryovers Workchart

**Filing Corporation**

| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 10th Prior Year | 1995-12-31 | | | | | |
| 9th Prior Year | 1996-12-31 | | | | | |
| 8th Prior Year | 1997-12-31 | | | | | |
| 7th Prior Year | 1998-12-31 | | | | | |
| 6th Prior Year | 1999-12-31 | | | | | |
| 5th Prior Year | 2000-12-31 | | | | | |
| 4th Prior Year | 2001-12-31 | | | | | |
| 3rd Prior Year | 2002-12-31 | | | | | |
| 2nd Prior Year | 2003-12-31 | | | | | |
| 1st Prior Year | 2004-12-31 | | | | | |
| | Total | | | | | |

**Predecessor Corporations Only – Amalgamation**

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 1995-12-31 | | | | | | |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| Total | | | | | | |

**Predecessor Corporations Only – Wind-Up**

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 1995-12-31 | | | | | | |
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| Total | | | | | | |

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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-10-31 |

**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)

| | | |
|---|---|---|
| | + | 4,270,000 |
| | + | 395,775 |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| | + | |
| **Total** *Transfer to* 353 *of the CT23* | = | 4,665,775 |

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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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-10-31 |

Is the corporation electing under regulation 1101(5q)? 1 ☐ Yes 2 ☒ No

| 1<br>Class number | 2<br>Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule) | 3<br>Cost of acquisitions during the year (new property must be available for use)<br>See note 1 below | 4<br>Net adjustments (show negative amounts in brackets) | 5<br>Proceeds of dispositions during the year (amount not to exceed the capital cost) | 6<br>Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5) | 7<br>50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)<br>See note 2 below | 8<br>Reduced undepreciated capital cost (column 6 minus column 7) | 9<br>CCA rate % | 10<br>Recapture of capital cost allowance | 11<br>Terminal loss | 12<br>Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount) | 13<br>Ontario undepreciated capital cost at the end of the year (column 6 minus column 12) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 373,701 | | | 0 | 373,701 | | 373,701 | 4 | 0 | 0 | 12,450 | 361,251 |
| 1 | 6,370,316 | 568,537 | | 0 | 6,938,853 | 284,269 | 6,654,584 | 4 | 0 | 0 | 221,698 | 6,717,155 |
| 8 | 22,131 | 8,474 | | 0 | 30,605 | 4,237 | 26,368 | 20 | 0 | 0 | 4,393 | 26,212 |
| 10 | 60,124 | 47,113 | | 1,200 | 106,037 | 22,957 | 83,080 | 30 | 0 | 0 | 20,759 | 85,278 |
| 8 | 7,556 | | | 0 | 7,556 | | 7,556 | 20 | 0 | 0 | 1,258 | 6,298 |
| 10 | 329,020 | 4,322 | | 0 | 333,342 | 2,161 | 331,181 | 30 | 0 | 0 | 82,750 | 250,592 |
| 8 | 456,162 | | | 0 | 456,162 | | 456,162 | 20 | 0 | 0 | 75,985 | 380,177 |
| 8 | 11,269 | | | 0 | 11,269 | | 11,269 | 20 | 0 | 0 | 1,877 | 9,392 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| **Totals** | 7,630,279 | 628,446 | | 1,200 | 8,257,525 | 313,624 | 7,943,901 | | | | 421,170 | 7,836,355 |

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

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# Ontario Cumulative Eligible Capital Deduction
## Schedule 10

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-10-31 |

- **For use by a corporation that has eligible capital property.**
- **A separate cumulative eligible capital account must be kept for each business.**

## Part 1 – Calculation of current year deduction and carry-forward

| | | | | | |
|---|---|---|---|---|---|
| Ontario Cumulative eligible capital – balance at end of preceding taxation year *(if negative, enter zero)* | | | | | 277,995 A |
| **Add:** Cost of eligible capital property acquired during the taxation year | + | B | | | |
| Amount transferred on amalgamation or wind-up of subsidiary | + | C | | | |
| Other adjustments | + | D | | | |
| Total of B + C + D | = | | x 3 / 4 | = | E |
| **Subtotal A + E** | | | | = | 277,995 F |
| **Deduct:** Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year | + | G | | | |
| The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada) | + | H | | | |
| Other adjustments | + | I | | | |
| Total of G + H + I | = | | x 3 / 4 | = | J |
| **Ontario cumulative eligible capital balance F - J** | | | | = | 277,995 K |

***If K is negative, enter zero at line M and proceed to Part 2***

**Current year deduction** 277,995 K x 7 % * = 16,208 L

* *The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.*

*Enter amount in box* 651 *of the CT23*

**Ontario cumulative eligible capital – closing balance K - L** *(if negative, enter zero)* = 261,787 M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

## Part 2 – Amount to be included in income arising from disposition

***Only complete this part only if the amount at line K is negative***

| | | | |
|---|---|---|---|
| Amount from line K above *show as a positive amount* | | | N |
| Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 | 1 | | |
| Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA | 2 | | |
| Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 | 3 | | |
| Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 | 4 | | |
| Line 3 deduct line 4 | | 5 | |
| Total lines 1 + 2 + 5 | | 6 | |
| Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 | | 7 | |
| Deduct line 7 from line 6 | | | O |
| N - O *(cannot be negative)* | | | P |
| Amount on line 5 x 1 / 2 | | | Q |
| P - Q | | | R |
| Amount on line R x 2 / 3 | | | S |
| Lesser of line N or line O | | | T |
| **Amount to be included in income S + T** | | | |

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

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 89108 5615 RC0001

**Corporation's name**

002 Gravenhurst Hydro Electric Inc.

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 CA | 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

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 2005-11-01 YYYY MM DD | 061 2005-11-21 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 | | 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 | X | 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 | X | 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 | Hydro Distribution | 285 | 97.500 % |
| 286 | Other | 287 | 2.500 % |
| 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 | 45,521 | 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") | | 45,521 | C |
| **Add:** Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions | 355 | | D |
| **Taxable income** (amount C **plus** amount D) | 360 | 45,521 | |
| 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) | | 45,521 | 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 45,521 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 45,521 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) = 1

250,000 x (Number of days in the taxation year in 2004 / Number of days in the taxation year) = 2

300,000 x (Number of days in the taxation year after 2004 / Number of days in the taxation year) = 300,000 3

(Number of days in the taxation year: 21 / 21)

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 *** D / 11,250 = . . . . . 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) * . . . . . 45,521 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 45,521 C

**Deduct:**

Aggregate investment income (amount from line 440 of page 6) . . . . . D

Amount C **minus** amount D (if negative, enter "0") . . . . . 45,521 ▶ 45,521 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 _____ / 21 x 2 % = _____ B

Amount A _____ x Number of days in the taxation year in 2005 / Number of days in the taxation year 21 / 21 x 3 % = _____ C

Amount A _____ x Number of days in the taxation year in 2006 / Number of days in the taxation year _____ / 21 x 5 % = _____ D

Amount A _____ x Number of days in the taxation year after 2006 / Number of days in the taxation year _____ / 21 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 . . . . . 45,521 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") . . . . . 45,521 J

Amount J 45,521 x Number of days in the taxation year after 2003 / Number of days in the taxation year 21 / 21 x 7 % = 3,186 K

**General tax reduction for Canadian-controlled private corporations** – amount K . . . . . 3,186 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 21 / 21 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 45,521

**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 = _____

▶ _____

45,521

x 26 2 / 3 % = 12,139 D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 of page 8) 10,070

**Deduct:** Corporate surtax from line 600 of page 7 510

Net amount 9,560 ▶ 9,560 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** 17,298 A

**Corporate surtax calculation**

Base amount from line A above ..... 17,298 1

**Deduct:**

10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 ... 4,552 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 ..... 4,552 7

Net amount (line 1 **minus** line 7) ..... 12,746 8

**Corporate surtax** – 4.00 % of the amount on line 8 ..... **600** 510 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 ..... 45,521

**Deduct:**

Amount on line 400, 405, 410, or 425 of page 4, whichever is the least .....

Net amount ..... 45,521 ▶ 45,521 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) 17,808 E

**Deduct:**

Small business deduction from line 430 of page 4 ..... 9

Federal tax abatement ..... **608** 4,552

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** 3,186

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 7,738 ▶ 7,738 F

**Part I tax payable** – Line E **minus** line F (enter amount G on line 700 of page 8) ..... 10,070 G

## Summary of tax and credits

**Federal tax**

| | | |
|---|---|---|
| Part I tax payable from page 7 | 700 | 10,070 |
| 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 | | 10,070 |

**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 | 10,070 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) 10,070

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 10,070

Enclosed payment 898 10,070

### 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 Dave (First name) 954 Officer (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 2006-05-21 (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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-11-21 |

**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 | + | 2,982,646 | 2,909,127 |
| | Total tangible capital assets | 2008 | + | 12,353,154 | 12,353,154 |
| | Total accumulated amortization of tangible capital assets | 2009 | – | 5,210,389 | 5,174,526 |
| | Total intangible capital assets | 2178 | + | 187,829 | 187,829 |
| | Total accumulated amortization of intangible capital assets | 2179 | – | | |
| | Total long-term assets | 2589 | + | | |
| | *Assets held in trust | 2590 | + | | |
| | **Total assets** (mandatory field) | 2599 | = | 10,313,240 | 10,275,584 |
| **Liabilities** | | | | | |
| | Total current liabilities | 3139 | + | 1,427,919 | 1,427,919 |
| | Total long-term liabilities | 3450 | + | 4,949,047 | 4,949,047 |
| | *Subordinated debt | 3460 | + | | |
| | *Amounts held in trust | 3470 | + | | |
| | **Total liabilities** (mandatory field) | 3499 | = | 6,376,966 | 6,376,966 |
| **Shareholder equity** | | | | | |
| | **Total shareholder equity** (mandatory field) | 3620 | + | 3,936,274 | 3,898,618 |
| | **Total liabilities and shareholder equity** | 3640 | = | 10,313,240 | 10,275,584 |
| **Retained earnings** | | | | | |
| | **Retained earnings/deficit – end** (mandatory field) | 3849 | = | 1,850,349 | 1,812,693 |

* 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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-11-21 |

## 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 | + | 397,148 | 2,217,193 |
| | Cost of sales | 8518 | – | 397,148 | |
| | **Gross profit/loss** | 8519 | = | | 2,217,193 |
| | Cost of sales | 8518 | + | 397,148 | |
| | Total operating expenses | 9367 | + | 95,409 | 1,808,057 |
| | **Total expenses** (mandatory field) | 9368 | = | 492,557 | 1,808,057 |
| | Total revenue (mandatory field) | 8299 | + | 530,213 | 2,319,508 |
| | Total expenses (mandatory field) | 9368 | – | 492,557 | 1,808,057 |
| | **Net non-farming income** | 9369 | = | 37,656 | 511,451 |
| **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 | = | 37,656 | 511,451 |
| **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 | – | | 179,824 |
| | **Net income/loss after taxes and extraordinary items** (mandatory field) | 9999 | = | 37,656 | 331,627 |

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**SCHEDULE 141**

# NOTES CHECKLIST

| Corporation's name | Business Number | Taxation year end Year Month Day |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-11-21 |

- 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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-11-21 |

- 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 | | | 37,656 A |
| **Add:** | | | |
| Amortization of tangible assets | 104 | 35,863 | |
| Subtotal of additions | | 35,863 ▶ | 35,863 |
| **Other additions:** | | | |
| **Miscellaneous other additions:** | | | |
| Subtotal of other additions | 199 | 0 ▶ | 0 |
| **Total additions** | 500 | 35,863 ▶ | 35,863 |
| **Deduct:** | | | |
| Capital cost allowance from Schedule 8 | 403 | 26,944 | |
| Cumulative eligible capital deduction from Schedule 10 | 405 | 1,054 | |
| Subtotal of deductions | | 27,998 ▶ | 27,998 |
| **Other deductions:** | | | |
| **Miscellaneous other deductions:** | | | |
| Subtotal of other deductions | 499 | 0 ▶ | 0 |
| **Total deductions** | 510 | 27,998 ▶ | 27,998 |
| **Net income (loss) for income tax purposes** – enter on line 300 of the T2 return | | | 45,521 |

T2 SCH 1 E (01)

Canada

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SCHEDULE 8

# CAPITAL COST ALLOWANCE (CCA)

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-11-21 |

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 | 361,251 | | | 0 | 361,251 | | 361,251 | 4 | 0 | 0 | 831 | 360,420 |
| 2 | 1 | 6,717,155 | | | 0 | 6,717,155 | | 6,717,155 | 4 | 0 | 0 | 15,459 | 6,701,696 |
| 3 | 8 | 26,212 | | | 0 | 26,212 | | 26,212 | 20 | 0 | 0 | 302 | 25,910 |
| 4 | 10 | 85,278 | | | 0 | 85,278 | | 85,278 | 30 | 0 | 0 | 1,472 | 83,806 |
| 5 | 8 | 6,298 | | | 0 | 6,298 | | 6,298 | 20 | 0 | 0 | 72 | 6,226 |
| 6 | 10 | 250,592 | | | 0 | 250,592 | | 250,592 | 30 | 0 | 0 | 4,325 | 246,267 |
| 7 | 8 | 380,177 | | | 0 | 380,177 | | 380,177 | 20 | 0 | 0 | 4,375 | 375,802 |
| 8 | 8 | 9,392 | | | 0 | 9,392 | | 9,392 | 20 | 0 | 0 | 108 | 9,284 |
| | **Total** | 7,836,355 | | | | 7,836,355 | | 7,836,355 | | | | 26,944 | 7,809,411 |

* 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

T2 SCH 8 (99)

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

**SCHEDULE 9**

# RELATED AND ASSOCIATED CORPORATIONS

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-11-21 |

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. | Gravenhurst Energy Services Inc. | CA | 86423 0792 RC0001 | 3 | | | | | |
| 2. | Veridian Connections Inc | | 88628 2920 RC0001 | 1 | | | | | |
| 3. | Veridian Corporation | | 86697 3076 RC0001 | 3 | | | | | |
| 4. | 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.

T2 SCH 9(99)

Canada

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**SCHEDULE 10**

# CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-11-21 |

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

## Part 1 – Calculation of current year deduction and carry-forward

**Cumulative eligible capital - Balance at the end of the preceding taxation year** (if negative, enter "0") **200** 261,787 A

**Add:**

Cost of eligible capital property acquired during the taxation year . . . . . **222**

Other adjustments . . . . . **226**

Subtotal (line 222 plus line 226) _____ x 3 / 4 = _____ B

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002 . . **228** _____ x 1 / 2 = _____ C

amount B minus amount C (if negative, enter "0") _____ ▶ _____ D

Amount transferred on amalgamation or wind-up of subsidiary . . . . . **224** _____ E

Subtotal (add amounts A, D, and E) **230** 261,787 F

**Deduct:**

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year . . . . . **242** _____ G

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) . . . . . **244** _____ H

Other adjustments . . . . . **246** _____ I

(add amounts G,H, and I) _____ x 3 / 4 = **248** _____ J

**Cumulative eligible capital balance** (amount F minus amount J) . . . . . 261,787 K

(if amount K is negative, enter "0" at line M and proceed to Part 2)

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business . . . . . **249** _____

amount K 261,787

**less** amount from line 249 _____

261,787 x 7.00 % = **250** 1,054 *

**Current year deduction** . . . . . 1,054 ▶ 1,054 L

(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)

**Cumulative eligible capital – Closing balance** (amount K minus amount L) (if negative, enter "0") . . . . . **300** 260,733 M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

T2 SCH 10 (04)

Canada

## Part 2 – Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

| | | | | |
|---|---|---|---|---|
| Amount from line K (show as positive amount) | | | | N |
| Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988 | 400 | | 1 | |
| Total of all amounts which reduced CEC in the current or prior years under subsection 80(7) | 401 | | 2 | |
| Total of CEC deductions claimed for taxation years beginning before July 1, 1988 | 402 | | 3 | |
| Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988 | 408 | | 4 | |
| Line 3 minus line 4 (if negative, enter "0") | | ▶ | 5 | |
| Total of lines 1, 2 and 5 | | | 6 | |
| Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400 | | | 7 | |
| Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000 | | | 8 | |
| Subtotal (line 7 plus line 8) | 409 | ▶ | 9 | |
| Line 6 minus line 9 (if negative, enter "0") | | | | O |
| Line N minus line O (if negative, enter "0") | | | | P |
| Line 5 _____ x 1 / 2 = | | | | Q |
| Line P minus line Q (if negative, enter "0") | | | | R |
| Amount R _____ x 2 / 3 = | | | | S |
| Amount N or amount O, whichever is less | | | | T |
| **Amount to be included in income** (amount S plus amount T) (enter this amount on line 108 of Schedule 1) | 410 | | | |

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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 Asso-ciation code 300 | 4 Business limit for the year (before the allocation) $ | 5 Percentage of the business limit % 350 | 6 Business limit allocated* $ 400 |
|---|---|---|---|---|---|---|
| | Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 1 | 300,000 | | |
| 1 | Gravenhurst Energy Services Inc. | 86423 0792 RC0001 | 1 | 300,000 | | |
| 2 | Veridian Connections Inc | 88628 2920 RC0001 | 1 | 300,000 | 100.0000 | 300,000 |
| 3 | Veridian Corporation | 86697 3076 RC0001 | 1 | 250,000 | | |
| 4 | 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.

T2 SCH 23 (04)

Canada

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**SCHEDULE 33**

# PART I.3 TAX ON LARGE CORPORATIONS

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-11-21 |

- 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 | 2,085,925 | |
| Retained earnings | 104 | 1,850,349 | |
| Contributed surplus | 105 | | |
| Any other surpluses | 106 | | |
| Deferred unrealized foreign exchange gains | 107 | | |
| All loans and advances to the corporation | 108 | 4,665,775 | |
| All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations | 109 | 392,140 | |
| 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 | | 8,994,189 ▶ | 8,994,189 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 | | |
| 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 | | ▶ | B |
| **Capital for the year** (amount A minus amount B) (if negative, enter "0") | 190 | | 8,994,189 |

**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) | | 8,994,189 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 | 8,994,189 |

## 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) 8,994,189 x (Taxable income earned in Canada / Taxable income) 610 45,521 / 45,521 = **Taxable capital employed in Canada** 690 8,994,189

**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) . . . . . 8,994,189

**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** 8,994,189

Line 811 8,994,189 x (Number of days in the taxation year before 2004 / Number of days in the taxation year 21) x 0.00225000 = . . . . F

Line 811 8,994,189 x (Number of days in the taxation year in 2004 / Number of days in the taxation year 21) x 0.00200000 = . . . . G

Line 811 8,994,189 x (Number of days in the taxation year in 2005 21 / Number of days in the taxation year 21) x 0.00175000 = . . . . 15,740 H

Line 811 8,994,189 x (Number of days in the taxation year in 2006 / Number of days in the taxation year 21) x 0.00125000 = . . . . I

Line 811 8,994,189 x (Number of days in the taxation year in 2007 / Number of days in the taxation year 21) x 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) 15,740 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 15,740 x (Number of days in the year ( 21 ) / 365) = . . . . . 906 L

**Gross Part I.3 tax** (amount K or L, whichever applies) . . . . . **820** 906

## 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) . . . . . 8,994,189 M

**Deduct:** Line 801 above _____ x 1/5 = . . . . . N

Excess (amount M minus amount N) (if negative, enter "0") 8,994,189 O

Amount O 8,994,189 x 0.00225 = . . . . . 20,237 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 20,237 x (Number of days in the year ( 21 ) / 365) = . . . . . 1,164 Q

**Gross Part I.3 tax for purposes of the unused surtax credit** (amount P or Q, whichever applies) . . . . . **821** 1,164

## 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 | 510 | x | line 690 of this schedule / line 500 of this schedule | 8,994,189 / 8,994,189 | = | 510 **c** | |
| d) line 700 from the T2 return | | | | | | 10,070 **d** | 510 S |

**Current-year surtax credit available** (amount R or S, whichever applies) . . . . . **830** 510

## Part 8 – Calculation of current-year unused surtax credit

| | | |
|---|---|---|
| Current-year surtax credit available (line 830) | | 510 |
| **Less:** Gross Part I.3 tax for purposes of the unused surtax credit (line 821) | | 1,164 |
| **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) | | | 906 T |
| **Deduct:** | | | |
| Current-year surtax credit applied (line 820 or 830, whichever is less) | **861** | 510 | |
| Unused surtax credit from previous years applied (amount from line 320 on Schedule 37) | **862** | 396 | |
| Subtotal (cannot be more than amount on line 820) | | 906 ▶ | 906 U |
| **Net Part I.3 tax payable** (amount T minus amount U) | **870** | | |

Enter this amount at line 704 of the T2 return.

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**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 |
|---|---|---|---|---|
| | Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | | 2005-11-21 |
| 1 | Gravenhurst Energy Services Inc. | 86423 0792 RC0001 | | 2005-11-21 |
| 2 | Veridian Connections Inc | 88628 2920 RC0001 | 50,000,000 | 2005-11-21 |
| 3 | Veridian Corporation | 86697 3076 RC0001 | | |
| 4 | Veridian Energy Inc. | 87098 3186 RC0001 | | 2005-11-21 |

**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 37**

# CALCULATION OF UNUSED SURTAX CREDIT

| Name of corporation | Business Number | Taxation year end Year Month Day |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-11-21 |

- Use this schedule to calculate a corporation's unused surtax credit.
- You should also use this schedule to request a carryback of unused surtax credit. This request should be filed by the required filing date of the T2 return for the year in which the surtax credit arose.
- Any unused surtax credit can be carried back three years and carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the *Income Tax 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.
- Attach this schedule to the T2 return or mail it separately to the tax centre where the return is filed.

## Part 1 – Calculation of closing balance of unused surtax credit

| | | | |
|---|---|---|---|
| Unused surtax credit at the end of the preceding taxation year | | | 6,613 |
| **Deduct:** Unused surtax credit expired after seven taxation years | 115 | | |
| Unused surtax credit at beginning of the taxation year | 120 | 6,613 | |
| **Add:** Unused surtax credit transferred on amalgamation or wind-up of subsidiary | 220 | | |
| Subtotal | | 6,613 | A |
| **Deduct:** Amount of unused surtax credit carried forward from previous years and applied to reduce Part I.3 tax payable in the current year (see line 862 of Schedule 33, line 862 of Schedule 34, or line 862 of Schedule 35, whichever applies) | 320 | 396 | |
| Unused surtax credit balance | | 6,217 | |
| **Deduct:** Amount of unused surtax credit carried forward from previous years and applied to reduce Part VI tax payable in the current year (see line 887 of Schedule 38) | 420 | | |
| Subtotal | | 6,217 | |
| **Add:** Current year unused surtax credit (enter amount from line 850 of Schedule 33, line 850 of Schedule 34, or line 850 of Schedule 35) | 600 | | |
| Subtotal | | 6,217 | |
| **Deduct:** Unused surtax credit carried back to preceding taxation year(s) (complete Part 2 below) | | | B |
| **Closing balance of unused surtax credit** | 820 | 6,217 | |

## Part 2 – Request for carryback of unused surtax credit

| | Year Month Day | | Part 1.3 Tax | | Part VI Tax | |
|---|---|---|---|---|---|---|
| 1st preceding taxation year | | Credit to be applied | 901 | | 911 | |
| 2nd preceding taxation year | | Credit to be applied | 902 | | 912 | |
| 3rd preceding taxation year | | Credit to be applied | 903 | | 913 | |
| | | Subtotal | | C | | D |

**Total of C and D** (enter this amount at line B in Part 1 above)

# SCHEDULE 37 SUPPLEMENTARY – UNUSED SURTAX CREDITS

## Continuity of post-1991 unused surtax credits

| | | * | Opening balance | Applied to Part I.3 | Applied to Part VI | Expired | Closing balance |
|---|---|---|---|---|---|---|---|
| 1st prior year | – | 2005 | 6,613 | 396 | | N/A | 6,217 |
| 2nd prior year | – | | | | | N/A | |
| 3rd prior year | – | | | | | N/A | |
| 4th prior year | – | | | | | N/A | |
| 5th prior year | – | | | | | N/A | |
| 6th prior year | – | | | | | N/A | |
| 7th prior year | – | | | | | | |
| | | Total | 6,613 | 396 | | | 6,217 |

* Note: Include any surtax credits transferred on amalgamation or wind-up in the opening balance field(s) above. The total of such transferred credits

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**SCHEDULE 50**

# SHAREHOLDER INFORMATION

| Name of corporation | Business Number | Taxation year end<br>Year Month Day |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 89108 5615 RC0001 | 2005-11-21 |

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<br>100 | Business Number<br>(Notes 1 & 3)<br>200 | Social Insurance Number<br>(Note 2 & 3)<br>300 | Percentage common shares<br>400 | Percentage preferred shares<br>500 |
|---|---|---|---|---|---|
| 1 | Gravenhurst Power Inc. | 86423 0990 RC0001 | | 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.

T2 SCH 50 (05)

Canada

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



Corporation's Legal Name *(including punctuation)*

Gravenhurst Hydro Electric Inc.

Ontario Corporations Tax Account No. (MOF)
7317703

Mailing Address

55 Taunton Rd. East

Ajax
ON CA L1T 3V3

This Return covers the Taxation Year

Start: year month day 2005-11-01

End: year month day 2005-11-21

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 2000-10-25

Registered/Head Office Address

55 Taunton Road East

Ajax
ON CA L1T 3V3

Ontario Corporation No. (MCBS) 1446745

Location of Books and Records

Canada Customs and Revenue Agency Business No.
If applicable, enter:
89108 5615 RC0001

| Name of person to contact regarding this CT23 Return | Telephone No. | Fax No. |
|---|---|---|
| Dave 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). ▶ [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)*

Dave 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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-11-21 |

# 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) ____ %

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 [ ] 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 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] |

*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 | 45,521 . |
| 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 715 | – | From 704 | . |
| 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 | 45,521 . |
| 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 | 45,521 . |

## Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) 45,521 . x 30 100.0000 % (Ontario Allocation) x 12.5 % x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 ____ ÷ Total Days 73 21) = + 29 .

From 10 (or 20 if applicable) 45,521 . x 30 100.0000 % (Ontario Allocation) x 14 % x (Days after Dec. 31, 2003: 34 21 ÷ Total Days 73 21) = + 32 6,373 .

**Income Tax Payable** (before deduction of tax credits) 29 + 32 = 40 6,373 .

## 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 | . |
| 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 21 ÷ ** 365) = + 47 23,014 .

Business Limit for Ontario purposes 46 + 47 = 44 23,014 . 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] 21 = + [89]

8.5 % x Days after Dec 31, 2003 [34] 21 ÷ Total Days [73] 21 = + [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] 791,198

***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) |
|---|---|---|---|
| See schedule | | | + [82] |
| | | | + [83] |
| | | | + [84] |

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. = [85] 791,198

320,000 x Number of Days in Taxation Year: Days after Dec 31, 2002 and before Jan 1, 2004 [31] ÷ Total Days [73] 21 = + [115]

400,000 x Days after Dec. 31, 2003 [34] 21 ÷ Total Days [73] 21 = + [116] 400,000

[115] + [116] = 400,000 – [114] 400,000

(If negative, enter nil) = [86] 391,198

**Calculation of Specified Rate for Surtax** 4.6670 % x Number of Days in Taxation Year: Days after Dec 31, 2002 [38] 21 ÷ Total Days [73] 21 = + [97] 4.6670

From [86] 391,198 x From [97] 4.6670 % = [87] 18,257

From [87] 18,257 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 45,521

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 45,521 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 45,521

**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 21) = + 154

Lesser of 130 or 142 — Ontario Allocation

143 X From 30 100.0000 % X 2 % X (Days after Dec. 31, 2003: 34 21 ÷ Total Days: 73 21) = + 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 6,373

*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 6,373.

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 10,313,240 .

Total Revenue of the corporation + 241 9,215,607 .

*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 10,313,240 .

Aggregate Total Revenue 241 + 244 + 246 + 248 , etc. = 250 9,215,607 .

## 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 37,656 . (If negative, enter zero) x From 30 100.0000 % (Ontario Allocation) X 4 % = 276 1,506 .

Subtract: Foreign Tax Credit for CMT purposes *(Attach Schedule)* – 277 .

Subtract: Income Tax – From 190 6,373 .

**Net CMT Payable** (If negative, enter Nil on Page 17.) = 280 -4,867 .

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.**

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**CMT Credit Carryover available** From Schedule 101 From 2333 .

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## Application of CMT Credit Carryovers

**A.** Income Tax (before deduction of specified credits) + From 190 6,373 .

Gross CMT Payable + From 276 1,506 .

Subtract: Foreign Tax Credit for CMT purposes – From 277 .

If 276 – 277 is negative, enter NIL in 290 = 1,506 . – 290 1,506 .

**Income Tax eligible for CMT Credit** = 300 4,867 .

**B.** Income Tax (after deduction of specified credits) + From 230 6,373 .

Subtract: CMT credit used to reduce income taxes – 310 .

**Income Tax** = 320 6,373 .

*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 | 2,085,925 |
| Retained earnings (if deficit, deduct) (Int.B. 3012R) | ± | 351 | 1,850,349 |
| 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 | 1,419,554 |
| Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R) | + | 362 | |
| **Subtotal** | = | 370 | 5,355,828 |
| 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 | 5,355,828 |
| 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 | 5,355,828 |

## 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*

| Gravenhurst Hydro Electric Inc. | | Attached Sch. |
|---|---|---|
| Corp Tax Acct. No. : | Year Ended: | 21-Nov-2005 |

Other reserves not allowed:

| | |
|---|---|
| UCC | (7,809,411) |
| BV per F/S | 7,142,765 |
| Less Land | (680,004) |
| Less WIP | |
| | |
| CEC | (260,733) |
| Intangible Per F/S | 187,829 |
| | |
| | (1,419,554) |

## Capital Tax *continued from Page 9*

**Total Assets** (Int.B. 3015R) *DOLLARS ONLY*

| | | |
|---|---|---|
| Total Assets per balance sheet | + 420 | 10,313,240 . |
| 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 | 10,313,240 . |
| 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 | 10,313,240 . |

**Investment Allowance** ( 410 ÷ 450 ) x 390 — Not to exceed 410 = 460 .

**Taxable Capital** 390 − 460 = 470 5,355,828 .

**Gross Revenue** (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 530,213 .

**Total Assets** (as adjusted) From 430 10,313,240 .

# 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 / Total Days) 35 ÷ 73 21 | = + 500 | | . |
| 7,500,000 | x (Days after Dec. 31, 2004 and before Jan. 1, 2006 / Total Days) 36 21 ÷ 73 21 | = + 501 | 7,500,000 | . |
| 10,000,000 | x (Days after Dec. 31, 2005 and before Jan. 1, 2007 / Total Days) 37 ÷ 73 21 | = + 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 21 / 365 (366 if leap year) (Days in taxation 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 5,355,828 .

***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 |
|---|---|---|---|
| See schedule | | | + 531 192,477,532 . |
| | | | + 532 . |
| | | | + 533 . |
| Aggregate Taxable Capital 470 + 531 + 532 + 533 , etc. - - - - - - - - - - - - - - - - - - | | | = 540 197,833,360 . |

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 5,355,828 . ÷ From 540 197,833,360 . X From 503 7,500,000 . = 541 203,043 .

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] | 5,355,828 . | | | | | | | | | | |
| – | [542] | 203,043 . | | | | | | | | | | |
| = | [471] | 5,152,785 . | x | From [30] | 100.0000 % Ontario Allocation | x | 0.3 % | x | [555] 21 / * 365 (366 if leap year) Days in taxation year | = | + [523] | 889 . |

**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] . | | |

**Total Capital Tax for the taxation year**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Capital Tax** | [562] . | x | [555] 21 / * 365 (366 if leap year) Days in 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] 889 . |
| Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* | | – | [546] . |
| **Capital Tax** [543] – [546] *(amount cannot be negative)* | | = | [550] 889 . |

*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] 21 ÷ * 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] 21 ÷ * 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 45,521.
*Transfer to page 15*

### Add:

| | | |
|---|---|---|
| Federal capital cost allowance | + 601 | 26,944. |
| Federal cumulative eligible capital deduction | + 602 | 1,054. |
| 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 21) =+ 633 _____

612 _____ x 5 / 14 x (Days after Dec. 31, 2003: 34 21 ÷ Total Days: 73 21) =+ 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 = 27,998. ▶ 640 27,998.
*Transfer to page 15*

### Deduct:

| | | |
|---|---|---|
| Ontario capital cost allowance (excludes amounts deducted under 675 ) | + 650 | 26,944. |
| Ontario cumulative eligible capital deduction | + 651 | 1,054. |
| 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 27,998.
*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 45,521 .

Total of Additions on page 14 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - From = 640 27,998 .

Sub Total of deductions on page 14 - - - - - - - - - - - - - - - - - - - - From = 681 27,998 .

### 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 = 27,998 . ▶ 680 27,998 .

**Net income (loss) for Ontario Purposes** 600 + 640 − 680 - - - - - - - - - - - - - - - - - - - = 690 45,521 .

*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) | 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) | 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) | 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 | 832 | 842 | 855 | 875 |
| 806 3rd preceding taxation year 2003-12-31 | 823 | 833 | 843 | 856 | 876 |
| 807 2nd preceding taxation year 2004-12-31 | 824 | 834 | 844 | 857 | 877 |
| 808 1st preceding taxation year 2005-10-31 | 825 | 835 | 845 | 858 | 878 |
| 809 Current taxation year 2005-11-21 | 826 | 836 | 846 | 859 | 879 |
| Total | 829 | 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 2005-10-31 | 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 | | 6,373. |
| Corporate Minimum Tax | + From 280 | | . |
| Capital Tax | + From 550 | | 889. |
| Premium Tax | + From 590 | | . |
| **Total Tax Payable** | = | 950 | 7,262. |
| 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 | 7,262. |
| **If payment due** | Enclosed * | 990 | 7,262. |
| **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)*

Dave Clark

Title

Officer

Full Residence Address

35 LILLIAN CRES
NEWCASTLE ON.
L1B 1G3

Signature

Date 2006-05-21

**Note:** Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

# Corporate Minimum Tax (CMT)
## CT23 Schedule 101



| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-11-21 |

### Part 1: Calculation of CMT Base

**Banks** – Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

**Life insurance corporations** – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

| | | | | |
|---|---|---|---|---|
| Net Income/Loss (unconsolidated, determined in accordance with GAAP) | | | ± 2100 | 37,656 |
| **Subtract (to the extent reflected in net income/loss):** | | | | |
| Provision for recovery of income taxes / benefit of current income taxes | + 2101 | | | |
| Provision for deferred income taxes (credits) / benefit of future income taxes | + 2102 | | | |
| Equity income from corporations | + 2103 | | | |
| Share of partnership(s)/joint venture(s) income | + 2104 | | | |
| Dividends received/receivable deductible under fed.s.112 | + 2105 | | | |
| Dividends received/receivable deductible under fed.s.113 | + 2106 | | | |
| Dividends received/receivable deductible under fed.s.83(2) | + 2107 | | | |
| Dividends received/receivable deductible under fed.s.138(6) | + 2108 | | | |
| Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) | x 3 + 2109 | | | |
| **Subtotal** | = | | – 2110 | |
| **Add (to extent reflected in net income/loss):** | | | | |
| Provision for current taxes / cost of current income taxes | + 2111 | | | |
| Provision for deferred income taxes (debits) / cost of future income taxes | + 2112 | | | |
| Equity losses from corporations | + 2113 | | | |
| Share of partnership(s)/joint venture(s) losses | + 2114 | | | |
| Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) | + 2115 | | | |
| **Subtotal** | = | | + 2116 | |
| **Add/Subtract:** | | | | |
| Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years | | | | |
| ** Fed.s.85 | + 2117 | | or – 2118 | |
| ** Fed.s.85.1 | + 2119 | | or – 2120 | |
| ** Fed.s.97 | + 2121 | | or – 2122 | |
| ** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years | + 2123 | | or – 2124 | |
| ** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/ prior years | + 2125 | | or – 2126 | |
| ** Amounts relating to s.57.10 election/ regulations for replacement re fed.s13(4), 14(6) and 44 for current/prior years | + 2127 | | or – 2128 | |
| Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income | | | – 2150 | |
| **Subtotal (Additions)** | = | | | + 2129 |
| **Subtotal (Subtractions)** | = | | | – 2130 |
| ** Other adjustments | | | | ± 2131 |
| **Subtotal** ± 2100 – 2110 + 2116 + 2129 – 2130 ± 2131 | | | | = 2132 37,656 |
| ** Share of partnership(s)/joint venture(s) **adjusted** net income/loss | | | | ± 2133 |
| **Adjusted net income (loss)** (if loss, transfer to 2202 in *Part 2: Continuity of CMT Losses Carried Forward.*) | | | | = 2134 37,656 |
| Deduct: * CMT losses: pre-1994 Loss | + From 2210 | | | |
| * CMT losses: other eligible losses | + 2211 | | | |
| | = | | – 2135 | |

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this schedule.*

**CMT Base** = 2136 37,656

*Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8*

# Corporate Minimum Tax (CMT)

## CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-11-21 |

## Part 2: Continuity of CMT Losses Carried Forward

| | | | | | |
|---|---|---|---|---|---|
| **Balance at Beginning of year** NOTES (1), (2) | | | | + 2201 | |
| **Add:** | Current year's losses | + 2202 | | | |
| | Losses from predecessor corporations on amalgamation NOTE (3) | + 2203 | | | |
| | Losses from predecessor corporations on wind-up NOTE (3) | + 2204 | | | |
| | Amalgamation (X) 2205 ☐ Yes Wind-up (X) 2206 ☐ Yes | | | | |
| **Subtotal** | | = | ▶ | + 2207 | |
| Adjustments (attach schedule) | | | | ± 2208 | |
| **CMT losses available** | 2201 + 2207 ± 2208 | | | = 2209 | |
| **Subtract:** | Pre-1994 loss utilized during the year to reduce adjusted net income | + 2210 | | | |
| | Other eligible losses utilized during the year to reduce adjusted net income NOTE (4) | + 2211 | | | |
| | Losses expired during the year | + 2212 | | | |
| **Subtotal** | | = | ▶ | − 2213 | |
| **Balances at End of Year** NOTE (5) | 2209 − 2213 | | | = 2214 | |

*Notes:*

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occured, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2134 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

## Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

| | Year of Origin (oldest year first) year month day | CMT Losses of Corporation | CMT Losses of Predecessor Corporations |
|---|---|---|---|
| 2240 | 9th preceding taxation year 1997-12-31 | 2260 | 2280 |
| 2241 | 8th preceding taxation year 1998-12-31 | 2261 | 2281 |
| 2242 | 7th preceding taxation year 1999-12-31 | 2262 | 2282 |
| 2243 | 6th preceding taxation year 2000-12-31 | 2263 | 2283 |
| 2244 | 5th preceding taxation year 2001-12-31 | 2264 | 2284 |
| 2245 | 4th preceding taxation year 2002-12-31 | 2265 | 2285 |
| 2246 | 3rd preceding taxation year 2003-12-31 | 2266 | 2286 |
| 2247 | 2nd preceding taxation year 2004-12-31 | 2267 | 2287 |
| 2248 | 1st preceding taxation year 2005-10-31 | 2268 | 2288 |
| 2249 | Current taxation year 2005-11-21 | 2269 | 2289 |
| Totals | | 2270 | 2290 |

*The sum of amounts* 2270 + 2290 *must equal amount in* 2214.

# Corporate Minimum Tax (CMT)

## CT23 Schedule 101

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-11-21 |

## Part 4: Continuity of CMT Credit Carryovers

**Balance at Beginning of year** NOTE (1) . . . . . + 2301

**Add:** Current year's CMT Credit ( 280 on page 8 of the CT23 or 347 on page 6 of the CT8. If negative, enter NIL) + From 280 or 347

Gross Special Additional Tax NOTE (2) 312 on page 5 of CT8. (Life Insurance corporations only. Others enter NIL.) . . . . . + From 312

Subtract Income Tax ( 190 on page 6 of the CT23 or page 4 of the CT8) . . . . . − From 190

**Subtotal** (If negative, enter NIL) . . . = ▶ − 2305

Current year's CMT credit (If negative, enter NIL) 280 or 347 − 2305 . . . = ▶ + 2310

CMT Credit Carryovers from predecessor corporations NOTE (3) . . . . . + 2325

Amalgamation (X) 2315 ☐ Yes Wind-up (X) 2320 ☐ Yes

**Subtotal** 2301 + 2310 + 2325 . . . . . = 2330

Adjustments *(Attach schedule)* . . . . . ± 2332

**CMT Credit Carryover available** 2330 ± 2332 . . . . . = 2333

*Transfer to Page 8 of the CT23 or Page 6 of the CT8*

**Subtract:** CMT Credit utilized during the year to reduce income tax ( 310 on page 8 of the CT23 or 351 on page 6 of the CT8.) + From 310 or 351

CMT Credit expired during the year . . . . . + 2334

**Subtotal** . . . . . = ▶ − 2335

**Balances at End of Year** NOTE (4) 2333 − 2335 . . . . . = 2336

*Notes:*

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).

(3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(4) Amount in 2336 must equal sum of 2370 + 2390.

## Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

| | Year of Origin (oldest year first) year month day | CMT Credit Carryovers of Corporation | CMT Credit Carryovers of Predecessor Corporation(s) |
|---|---|---|---|
| 2340 | 9th preceding taxation year 1997-12-31 | 2360 | 2380 |
| 2341 | 8th preceding taxation year 1998-12-31 | 2361 | 2381 |
| 2342 | 7th preceding taxation year 1999-12-31 | 2362 | 2382 |
| 2343 | 6th preceding taxation year 2000-12-31 | 2363 | 2383 |
| 2344 | 5th preceding taxation year 2001-12-31 | 2364 | 2384 |
| 2345 | 4th preceding taxation year 2002-12-31 | 2365 | 2385 |
| 2346 | 3rd preceding taxation year 2003-12-31 | 2366 | 2386 |
| 2347 | 2nd preceding taxation year 2004-12-31 | 2367 | 2387 |
| 2348 | 1st preceding taxation year 2005-10-31 | 2368 | 2388 |
| 2349 | Current taxation year 2005-11-21 | 2369 | 2389 |
| Totals | | 2370 | 2390 |

*The sum of amounts* 2370 + 2390 *must equal amount in* 2336.

# Corporate Minimum Tax (CMT)
## CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-11-21 |

### CMT Losses Carried Forward Workchart

**(i) Continuity of Pre-1994 CMT Losses**

| | Corporation's Pre-1994 Loss | Predecessors' Pre-1994 Loss Amalgamation | Predecessors' Pre-1994 Loss Wind-Up |
|---|---|---|---|
| Date of the last tax year end before the corp's 1st tax year commencing after 1993 | | | |
| Pre-1994 Loss (per schedule) | | | |
| Less: Claimed in prior taxation years commencing after 1993 | | | |
| Pre-1994 Loss available for the current year | | | |
| Less: Deducted in the current year (max. = adj. net income for the year) | | | |
| Expired after 10 years | | | |
| Pre-1994 Loss Carryforward | | | |

**(ii) Continuity of Other Eligible CMT Losses – Filing Corporation (for losses occurring in tax years commencing after 1993)**

| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 10th Prior Year | 1996-12-31 | | | | | |
| 9th Prior Year | 1997-12-31 | | | | | |
| 8th Prior Year | 1998-12-31 | | | | | |
| 7th Prior Year | 1999-12-31 | | | | | |
| 6th Prior Year | 2000-12-31 | | | | | |
| 5th Prior Year | 2001-12-31 | | | | | |
| 4th Prior Year | 2002-12-31 | | | | | |
| 3rd Prior Year | 2003-12-31 | | | | | |
| 2nd Prior Year | 2004-12-31 | | | | | |
| 1st Prior Year | 2005-10-31 | | | | | |
| | Total | | | | | |

**Predecessor Corporations Only – Amalgamation**

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-10-31 | | | | | | |
| Total | | | | | | |

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-11-21 |

## CMT Losses Carried Forward Workchart (continued)

### Predecessor Corporations Only – Wind-Up

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-10-31 | | | | | | |
| Total | | | | | | |

# Corporate Minimum Tax (CMT)
## CT23 Schedule 101 – Supporting Schedule

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-11-21 |

### CMT Credit Carryovers Workchart

**Filing Corporation**

| | Year of Origin YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 10th Prior Year | 1996-12-31 | | | | | |
| 9th Prior Year | 1997-12-31 | | | | | |
| 8th Prior Year | 1998-12-31 | | | | | |
| 7th Prior Year | 1999-12-31 | | | | | |
| 6th Prior Year | 2000-12-31 | | | | | |
| 5th Prior Year | 2001-12-31 | | | | | |
| 4th Prior Year | 2002-12-31 | | | | | |
| 3rd Prior Year | 2003-12-31 | | | | | |
| 2nd Prior Year | 2004-12-31 | | | | | |
| 1st Prior Year | 2005-10-31 | | | | | |
| | Total | | | | | |

**Predecessor Corporations Only – Amalgamation**

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-10-31 | | | | | | |
| Total | | | | | | |

**Predecessor Corporations Only – Wind-Up**

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

| Year of Origin YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|---|---|---|---|---|---|---|
| 1996-12-31 | | | | | | |
| 1997-12-31 | | | | | | |
| 1998-12-31 | | | | | | |
| 1999-12-31 | | | | | | |
| 2000-12-31 | | | | | | |
| 2001-12-31 | | | | | | |
| 2002-12-31 | | | | | | |
| 2003-12-31 | | | | | | |
| 2004-12-31 | | | | | | |
| 2005-10-31 | | | | | | |
| Total | | | | | | |

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 |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-11-21 |

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 | 361,251 | | | 0 | 361,251 | | 361,251 | 4 | 0 | 0 | 831 | 360,420 |
| 1 | 6,717,155 | | | 0 | 6,717,155 | | 6,717,155 | 4 | 0 | 0 | 15,459 | 6,701,696 |
| 8 | 26,212 | | | 0 | 26,212 | | 26,212 | 20 | 0 | 0 | 302 | 25,910 |
| 10 | 85,278 | | | 0 | 85,278 | | 85,278 | 30 | 0 | 0 | 1,472 | 83,806 |
| 8 | 6,298 | | | 0 | 6,298 | | 6,298 | 20 | 0 | 0 | 72 | 6,226 |
| 10 | 250,592 | | | 0 | 250,592 | | 250,592 | 30 | 0 | 0 | 4,325 | 246,267 |
| 8 | 380,177 | | | 0 | 380,177 | | 380,177 | 20 | 0 | 0 | 4,375 | 375,802 |
| 8 | 9,392 | | | 0 | 9,392 | | 9,392 | 20 | 0 | 0 | 108 | 9,284 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Totals | 7,836,355 | | | | 7,836,355 | | 7,836,355 | | | | 26,944 | 7,809,411 |

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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Oshawa ON L1H 8E9

# Ontario Cumulative Eligible Capital Deduction
## Schedule 10

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-11-21 |

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

## Part 1 – Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital – balance at end of preceding taxation year *(if negative, enter zero)* ..... 261,787 A

Add: Cost of eligible capital property acquired during the taxation year .. + B

Amount transferred on amalgamation or wind-up of subsidiary .... + C

Other adjustments ..... + D

Total of B + C + D ..... = x 3 / 4 = E

Subtotal A + E ..... = 261,787 F

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year ..... + G

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada) ..... + H

Other adjustments ..... + I

Total of G + H + I ..... = x 3 / 4 = J

Ontario cumulative eligible capital balance F - J ..... = 261,787 K

*If K is negative, enter zero at line M and proceed to Part 2*

Current year deduction 261,787 K x 7 % * ..... = 1,054 L

* *The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.* *Enter amount in box 651 of the CT23*

Ontario cumulative eligible capital – closing balance K - L *(if negative, enter zero)* ..... = 260,733 M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may **not** exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

## Part 2 – Amount to be included in income arising from disposition

*Only complete this part only if the amount at line K is negative*

Amount from line K above *show as a positive amount* ..... N

Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 ..... 1

Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA ..... 2

Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 ..... 3

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 ..... 4

Line 3 deduct line 4 ..... 5

Total lines 1 + 2 + 5 ..... 6

Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 ..... 7

Deduct line 7 from line 6 .....

N - O *(cannot be negative)* ..... O

Amount on line 5 x 1 / 2 ..... P

P - Q ..... Q

Amount on line R x 2 / 3 ..... R

Lesser of line N or line O ..... S

**Amount to be included in income S + T** ..... T

Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S

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# Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

**Schedule CT21**

| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|---|---|---|
| Gravenhurst Hydro Electric Inc. | 7317703 | 2005-11-21 |

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

| Name of Associated Corporation (Must have a PE in Canada) | Corporations Tax Account No. (MOF) (if applicable) | Taxation Year End | Taxable Capital |
|---|---|---|---|
| Gravenhurst Energy Services Inc. | 1800255 | 2005-11-21 | + 508,013 |
| Veridian Connections Inc | 4603095 | 2005-11-21 | + 161,839,187 |
| Veridian Corporation | 7861179 | 2004-12-31 | + 13,150,922 |
| Veridian Energy Inc. | 4603084 | 2005-11-21 | + 16,979,410 |
| | | | + |
| | | | + |
| | | | + |
| | | | + |
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| | | | + |
| | | | + |
| | | | + |
| | | | + |
| | | | + |
| Aggregate of taxable capital | | | = 192,477,532 |

*Transfer to box* 540 *of the CT23*

# Appendix 6 of 6

# Financial Statements

**Cull, Gordon & Gingrich**
*Chartered Accountants*

152-3 Manitoba Street
Bracebridge, ON, P1L 1Z9
(705) 645-5255 Tel.
(705) 645-7686 Fax

# *GRAVENHURST HYDRO ELECTRIC INC.*

FINANCIAL STATEMENTS

DECEMBER 31, 2002

**Bracebridge**
F. Glenn Gordon, C.A.
**Parry Sound**
Donald T. J. Cull, C.A.
Stephen L. Gingrich, B.A., C.A.
Howard S. Harris, C.A. (Retired)

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MAY 1 3 2003

ONTARIO ENERGY BD

**Cull, Gordon & Gingrich**
Chartered Accountants

152-3 Manitoba Street
Bracebridge, ON, P1L 1Z9
(705) 645-5255 Tel.
(705) 645-7686 Fax

## AUDITORS' REPORT

**To the Members of the Board, Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Gravenhurst**

We have audited the Statement of Financial Position of Gravenhurst Hydro Electric Inc. as at December 31, 2002, and the Statements of Changes in Financial Position, Operations and Retained Earnings for the year then ended. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted Canadian 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 Company as at December 31, 2002, and the results of its operations for the year then ended in accordance with the Canadian accounting principles disclosed in Note 1 to the Financial Statements.

Cull, Gordon & Gingrich
Chartered Accountants

Bracebridge, Ontario
April 4, 2003

**Bracebridge**
F. Glenn Gordon, C.A.
**Parry Sound**
Donald T. J. Cull, C.A.
Stephen L. Gingrich, B.A., C.A.
Howard S. Harris, C.A. (Retired)

# *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2002

| | 2002 | 2001 |
|---|---|---|
| ***ASSETS*** | | |
| *Current* | | |
| Cash | $ 177,791 | $ 1,004,180 |
| Accounts Receivable, net of Allowance for Doubtful Accounts of $39,184 (2001 - $1,926) | 349,352 | 840,304 |
| Unbilled Revenue | 1,718,635 | 533,534 |
| Inventories | 218,154 | 192,787 |
| Due from Related Companies – *Note 7* | 49,301 | 29,302 |
| Other Current Assets | 45,991 | 202,635 |
| | $ 2,559,224 | $ 2,802,742 |
| *Capital* | | |
| Land and Land Rights | $ 677,796 | $ 705,210 |
| Buildings | 546,336 | 525,246 |
| Distribution Stations | 722,527 | 586,678 |
| Subtransmission Feeders | 577,731 | 575,217 |
| Distribution – Overhead | 3,010,840 | 2,813,466 |
| Distribution – Underground | 1,294,776 | 1,064,260 |
| Distribution - Meters | 1,150,053 | 1,061,952 |
| Distribution - Transformers | 2,064,956 | 1,922,376 |
| Customer Service - Overhead | 908,811 | 885,284 |
| Customer Service - Underground | 365,797 | 333,891 |
| Transportation Equipment | 656,428 | 645,638 |
| Office Equipment | 344,198 | 329,286 |
| Miscellaneous Equipment | 112,437 | 112,437 |
| Construction in Progress | 0 | 5,447 |
| | $ 12,432,686 | $ 11,566,388 |
| Less Contributions in aid of Capital | (1,537,000) | (1,364,322) |
| | $ 10,895,686 | $ 10,202,066 |
| Less Net Accumulated Amortization | (3,765,452) | (3,392,654) |
| | $ 7,130,234 | $ 6,809,412 |
| *Other Assets* | | |
| Incorporation Costs | $ 8,816 | $ 8,816 |
| Regulatory Transition Costs | 108,329 | 0 |
| | $ 117,145 | $ 8,816 |
| | **$ 9,806,603** | **$ 9,620,970** |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF FINANCIAL POSITION (continued)
AS AT DECEMBER 31, 2002

| | | 2002 | | 2001 |
|---|---|---|---|---|
| ***LIABILITIES*** | | | | |
| *Current* | | | | |
| Accounts Payable and Accrued Liabilities | $ | 744,752 | $ | 885,007 |
| Income Taxes Payable | | 50,816 | | 0 |
| Current Portion of Long Term Debt | | 181,000 | | 172,000 |
| Current Portion of Customer Deposits | | 50,437 | | 68,300 |
| Due to Related Companies – *Note 7* | | 0 | | 50,466 |
| Other Current Liabilities | | 329,872 | | 258,259 |
| | $ | 1,356,877 | $ | 1,434,032 |
| *Long Term Debt – Note 5* | | | | |
| Promissory Note | $ | 4,830,000 | $ | 5,002,000 |
| Promissory Note | | 450,000 | | 0 |
| Less Payments due within one year | | (181,000) | | (172,000) |
| | $ | 5,099,000 | $ | 4,830,000 |
| *Other* | | | | |
| Long Term Customer Deposits | $ | 113,998 | $ | 84,030 |
| Employee Future Benefits – *Note 9* | | 94,190 | | 95,627 |
| Regulatory Liabilities/Variance Accounts | | 155,170 | | 0 |
| | $ | 363,358 | $ | 179,657 |
| *Due to Shareholder – Note 6* | | | | |
| Due to Town of Gravenhurst | $ | 645,775 | $ | 1,095,775 |
| ***SHAREHOLDER EQUITY*** | | | | |
| *Share Capital* | | | | |
| *Authorized:* Unlimited common shares | | | | |
| *Issued:* 500 common shares | $ | 2,085,925 | $ | 2,085,925 |
| *Retained Earnings (Deficit)* | | 255,668 | | (4,419) |
| | $ | 2,341,593 | $ | 2,081,506 |
| | **$** | **9,806,603** | **$** | **9,620,970** |

*The accompanying notes are an integral part of these Financial Statements.*

# *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2002

| | | 2002 | | 2001 |
|---|---|---|---|---|
| ***OPERATIONS*** | | | | |
| Net Income for the year | $ | 260,087 | $ | 333,631 |
| Amortization of Capital Assets | | 553,287 | | 507,790 |
| Loss (Gain) on Disposal of Assets | | 97,199 | | (30,000) |
| | $ | 910,573 | $ | 811,421 |
| *Sources and uses of Cash in Operations:* | | | | |
| Accounts Receivable | | 490,952 | | 203,944 |
| Unbilled Revenue | | (1,185,101) | | 5,488 |
| Inventories | | (25,367) | | (3,784) |
| Due from Related Companies | | (70,465) | | 35,458 |
| Other Current Assets | | 156,644 | | (100,777) |
| Regulatory Transition Costs | | (108,329) | | 0 |
| Accounts Payable and Accrued Liabilities | | (140,255) | | (76,993) |
| Income Taxes Payable | | 50,816 | | 0 |
| Customer Deposits | | 12,105 | | 9,213 |
| Other Current Liabilities | | 71,613 | | (28,147) |
| Regulatory Liabilities | | 155,170 | | 0 |
| Employee Future Benefits | | (1,437) | | (2,111) |
| *Cash provided by Operations* | $ | 316,919 | $ | 853,712 |
| ***INVESTING ACTIVITES*** | | | | |
| Purchase of Capital Assets | $ | (971,308) | $ | (708,949) |
| Proceeds of disposition of Capital Assets | | 0 | | 30,000 |
| *Cash used in Investing Activities* | $ | (971,308) | $ | (678,949) |
| ***FINANCING ACTIVITES*** | | | | |
| Dividends paid | $ | 0 | $ | (141,249) |
| Repayment of Long Term Debt | | (172,000) | | (160,000) |
| *Cash used in Financing Activities* | $ | (172,000) | $ | (301,249) |
| *Decrease in Cash* | $ | (826,389) | $ | (126,486) |
| ***Cash, beginning of year*** | | **1,004,180** | | **1,130,666** |
| ***CASH, END OF YEAR*** | $ | 177,791 | **$** | **1,004,180** |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF OPERATIONS AND RETAINED EARNINGS – *Note 4*
FOR THE YEAR ENDED DECEMBER 31, 2002

| | | 2002 |
|---|---|---|
| *Revenue* | | |
| Distribution | $ | 2,136,760 |
| Change in Unbilled Distribution Revenue | | 372,500 |
| | $ | 2,509,260 |
| *Other Operating Revenue – Schedule 1* | | 63,917 |
| *Total Revenue* | $ | 2,573,177 |
| *Expenditures* | | |
| Distribution - Operations | $ | 155,842 |
| Distribution - Maintenance | | 198,559 |
| Billing and Collecting | | 583,376 |
| Community Relations | | 3,970 |
| Administrative and General | | 524,369 |
| Amortization | | 466,351 |
| Interest – *Note 7* | | 315,077 |
| *Total Expenditures* | $ | 2,247,544 |
| ***INCOME BEFORE INCOME TAXES*** | $ | 325,633 |
| ***Provision for Income Taxes*** | | 65,546 |
| ***NET INCOME FOR THE YEAR*** | $ | 260,087 |
| ***Deficit, beginning of year*** | | (4,419) |
| ***RETAINED EARNINGS, end of year*** | **$** | **255,668** |

*The accompanying notes are an integral part of these Financial Statements.*

# *GRAVENHURST HYDRO ELECTRIC INC.*

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

## *1. THE ORGANIZATION*

Gravenhurst Hydro Electric Inc. is a wholly-owned subsidiary of Gravenhurst Power Inc., which is in turn wholly-owned by the Corporation of the Town of Gravenhurst.

In accordance with various regulations of the Province of Ontario, Gravenhurst Hydro Electric Inc. became a taxable entity on October 1, 2001. On this date, the company begin making payments in lieu of taxes, equivalent to federal and provincial income and capital taxes, to the Ontario Electricity Financial Corporation, to pay down the residual debt of the former Ontario Hydro.

## *2. SIGNIFICANT ACCOUNTING POLICIES*

The Financial Statements of Gravenhurst Hydro Electric Inc. have been prepared in accordance with accounting policies for Municipal Electrical Utilities in Ontario as required by the Ontario Energy Board under the authority of the *Ontario Energy Board Act, 1998*, and reflect the following policies as set forth in the *Ontario Energy Board Accounting Procedures Manual.*

*(a) Capital Assets*

Capital assets are recorded at cost. Costs for capital assets installed by the Commission include material, labour and overhead. Amortization of the assets, and the related Contributions and Grants in aid of Capital, is provided as follows:

| | |
|---|---|
| Land Rights | - Straight line basis over 25 years |
| Buildings | - Straight line basis over 25 to 50 years |
| Distribution Equipment | - Straight line basis over 25 to 35 years |
| Transportation Equipment | - Straight line basis over 5 to 10 years |
| Office Equipment | - Straight line basis over 5 to 10 years |
| Miscellaneous Equipment | - Straight line basis over 8 to 10 years |

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

*(b) Inventories*

Inventories consist of repair parts, supplies and materials valued at the lower of cost and replacement cost.

*(c) Service Revenue*

Service Revenue is recorded on the basis of regular meter readings and estimates of customer usage since the last meter reading date to the end of the year.

*(d) Use of Estimates*

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements in accordance with generally accepted accounting principles necessarily involves the use of estimates and approximations. These have been made using careful judgments.

## 3. FINANCIAL INSTRUMENTS

The company's financial instruments consist of Cash, Short term deposits, Accounts Receivable, Unbilled Revenue, Accounts Payable and Accrued Liabilities, Customer Deposits, Long Term Debt and Due to Shareholder. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risk from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless other wise noted.

### 4. COMPARATIVE FIGURES

With the opening of the electricity market in May, 2002, the operations of Gravenhurst Hydro Electric Inc. changed significantly in 2002. Therefore, comparative figures have not been provided on the *Statement of Operations and Retained Earnings*, as they would not be meaningful or relevant.

### 5. LONG TERM DEBT

| | 2002 | 2001 |
|---|---|---|
| Promissory Note issued to the Town of Gravenhurst, interest only of $1,500 per month | $ 450,000 | $ 0 |
| Promissory Note issued to the Town of Gravenhurst, with interest at 5.15% per annum in 2000, increasing to 6.25% per annum by 2009, final payment due in 2009, extendable for another ten years at the option of the Town, with interest payable on January 5 and July 5 of each year | 4,830,000 | 5,002,000 |
| Current portion | (181,000) | (172,000) |
| **Net Long Term Debt** | **$ 5,099,000** | **$ 4,830,000** |

Principal payments over the next five years are as follows:

| | | |
|---|---|---|
| 2003 | - | $ 181,000 |
| 2004 | - | 186,000 |
| 2005 | - | 193,000 |
| 2006 | - | 201,000 |
| 2007 | - | 211,000 |

### 6. DUE TO SHAREHOLDER

Due to Shareholder is non-interest bearing, with no set terms of repayment, and is not due within one year.

## 7. RELATED PARTY TRANSACTIONS

Under the terms of the Promissory Notes issued to the Town of Gravenhurst on November 1, 2000 and November 1, 2002, the Company paid interest of $307,483 to the Town for the year ended December 31, 2002 (2001 - $313,738). Of this amount, $145,560 is included in *Other Current Liabilities* on the *Statement of Financial Position* (2001 - $150,425).

*Due from Related Companies* of $49,301 (2001 - $29,302) on the *Statement of Financial Position* represents accounts paid by Gravenhurst Hydro Electric Inc. on behalf of its parent company.

*Due to Related Companies* of $NIL (2001 - $50,466) on the *Statement of Financial Position* represents amounts billed and collected by Gravenhurst Hydro Electric Inc. on behalf of its sister company, less management fees charged to that company.

*Management Fees* are fees charged to Gravenhurst Energy Services Inc., in accordance with a contract, for preparation and mailing of bills, and bookkeeping services.

## 8. CONTINGENCY

A class action claiming $500 million in restitutionary payments plus interest was served on Toronto Hydro 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 this class action. At this time, it is not possible to quantify the effect, if any, on the financial statements of Gravenhurst Hydro Electric Inc.

### 9. EMPLOYEE FUTURE BENEFITS

Gravenhurst Hydro Electric Inc. pays life insurance benefits on behalf of its retired employees. In accordance with standards adopted by the Canadian Institute of Chartered Accountants on January 1, 2000, Gravenhurst Hydro Electric Inc. recognizes post-retirement costs in the period in which the employee renders the service.

Information about Gravenhurst Hydro Electric Inc.'s defined benefit program is as follows:

| | 2002 | 2001 |
|---|---|---|
| Accrued benefit liability, beginning of year | $ 95,627 | $ 97,738 |
| Expense for the year | 6,626 | 6,688 |
| Contributions for the year | (8,064) | (8,799) |
| Accrued Benefit Liability, end of year | $ 94,189 | $ 95,627 |

The main actuarial assumptions employed for the valuation are as follows:

(a) General Inflation – Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 3.5% for 2002 and thereafter.

(b) Interest (discount) rate – The obligation as at December 31, 2001, of the present value of future liabilities and the expense for the twelve months ended December 31, 2002, were determined using an annual discount rate of 6%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 2.5%.

(c) Salary levels – Future general salary and wage levels were assumed to increase at 2% per annum.

(d) Medical costs – Medical costs were assumed to increase at the CPI rate plus a further increase of 4% in 2001, graded down to 1% in 2004 and thereafter.

(e) Dental costs – Dental costs were assumed to increase at the CPI rate plus a further increase of 1% in 2001 and thereafter.

## *GRAVENHURST HYDRO ELECTRIC INC.*

SCHEDULE 1 - OTHER OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2002

| | | 2002 |
|---|---|---|
| Late payment charges | $ | 32,984 |
| Interest earned | | 43,476 |
| Pole rentals | | 47,734 |
| Change of occupancy charges | | 4,840 |
| Reconnection charges | | 2,715 |
| Miscellaneous | | 5,799 |
| Sale of scrap material | | 900 |
| Loss on disposal of assets | | (97,199) |
| Management Fees – *Note 7* | | 22,668 |
| | **$** | **63,917** |

:ull,
;ordon &
;ingrich
Chartered
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52-3 Manitoba Street
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705) 645-5255 Tel.
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:ullgordonging@bellnet.ca

# *GRAVENHURST HYDRO ELECTRIC INC.*

FINANCIAL STATEMENTS

DECEMBER 31, 2003

**Bracebridge**
F. Glenn Gordon, C.A.
**Sound**
T. J. Cull, C.A.
Stephen L. Gingrich, C.A., CFP
Brandy L. Harris, B.ACC., C.A.

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## AUDITORS' REPORT

**To the Members of the Board, Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Gravenhurst**

We have audited the Statement of Financial Position of Gravenhurst Hydro Electric Inc. as at December 31, 2003, and the Statements of Changes in Financial Position, Operations and Retained Earnings for the year then ended. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted Canadian 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 Company as at December 31, 2003, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the Financial Statements.

Cull, Gordon & Gingrich
Chartered Accountants

Bracebridge, Ontario
April 6, 2004

**Bracebridge**
F. Glenn Gordon, C.A.
**Parry Sound**
Donald T. J. Cull, C.A.
Stephen L. Gingrich, C.A., CFP
Brandy L. Harris, B.ACC., C.A.

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2003

| | 2003 | 2002 |
|---|---|---|
| ***ASSETS*** | | |
| *Current* | | |
| Cash | $ 661,215 | $ 177,791 |
| Accounts Receivable, net of Allowance for Doubtful Accounts of $10,000 (2002 - $39,184) | 938,644 | 349,352 |
| Unbilled Revenue | 1,023,400 | 1,718,635 |
| Inventories | 167,415 | 218,154 |
| Due from Related Companies – *Note 6* | 71,785 | 49,301 |
| Other Current Assets | 45,930 | 45,991 |
| | $ 2,908,389 | $ 2,559,224 |
| *Capital* | | |
| Land and Land Rights | $ 678,146 | $ 677,796 |
| Buildings | 551,763 | 546,336 |
| Distribution Stations | 734,511 | 722,527 |
| Subtransmission Feeders | 578,948 | 577,731 |
| Distribution – Overhead | 3,069,985 | 3,010,840 |
| Distribution – Underground | 1,343,314 | 1,294,776 |
| Distribution - Meters | 1,231,868 | 1,150,053 |
| Distribution - Transformers | 2,217,014 | 2,064,956 |
| Customer Service - Overhead | 919,322 | 908,811 |
| Customer Service - Underground | 371,021 | 365,797 |
| Transportation Equipment | 877,895 | 656,428 |
| Office Equipment | 380,326 | 344,198 |
| Miscellaneous Equipment | 112,437 | 112,437 |
| | $ 13,066,550 | $ 12,432,686 |
| Less Contributions in aid of Capital | (1,809,250) | (1,537,000) |
| | $ 11,257,300 | $ 10,895,686 |
| Less Net Accumulated Amortization | (4,128,787) | (3,765,452) |
| | $ 7,128,513 | $ 7,130,234 |
| *Other Assets* | | |
| Incorporation Costs | $ 8,816 | $ 8,816 |
| Regulatory Transition Costs | 109,577 | 108,329 |
| Net Regulatory Assets/Variance Accounts | 98,840 | 0 |
| | $ 217,233 | $ 117,145 |
| | **$ 10,254,135** | **$ 9,806,603** |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF FINANCIAL POSITION (continued)
AS AT DECEMBER 31, 2003

| | 2003 | 2002 |
|---|---|---|
| ***LIABILITIES*** | | |
| *Current* | | |
| Accounts Payable and Accrued Liabilities | $ 806,393 | $ 744,752 |
| Income Taxes Payable | 259,575 | 50,816 |
| Current Portion of Long Term Debt | 186,000 | 181,000 |
| Current Portion of Customer Deposits | 141,743 | 50,437 |
| Other Current Liabilities | 317,548 | 329,872 |
| | $ 1,711,259 | $ 1,356,877 |
| *Long Term Debt – Note 4* | | |
| Promissory Note | $ 4,649,000 | $ 4,830,000 |
| Promissory Note | 200,000 | 450,000 |
| Less Payments due within one year | (186,000) | (181,000) |
| | $ 4,663,000 | $ 5,099,000 |
| *Other* | | |
| Long Term Customer Deposits | $ 34,594 | $ 113,998 |
| Employee Future Benefits – *Note 8* | 92,345 | 94,190 |
| Net Regulatory Liabilities/Variance Accounts | 0 | 155,170 |
| | $ 126,939 | $ 363,358 |
| *Due to Shareholder – Note 5* | | |
| Due to Town of Gravenhurst | $ 645,775 | $ 645,775 |
| ***SHAREHOLDER EQUITY*** | | |
| *Share Capital* | | |
| *Authorized:* Unlimited common shares | | |
| *Issued:* 500 common shares | $ 2,085,925 | $ 2,085,925 |
| *Retained Earnings* | 1,021,237 | 255,668 |
| | $ 3,107,162 | $ 2,341,593 |
| | **$ 10,254,135** | **$ 9,806,603** |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2003

| | 2003 | 2002 |
|---|---|---|
| ***OPERATIONS*** | | |
| Net Income for the year | $ 765,569 | $ 260,087 |
| Amortization of Capital Assets | 595,364 | 553,287 |
| Loss (Gain) on Disposal of Assets | (12,000) | 97,199 |
| | $ 1,348,933 | $ 910,573 |
| *Sources and uses of Cash in Operations:* | | |
| Accounts Receivable | (589,292) | 490,952 |
| Unbilled Revenue | 695,235 | (1,185,101) |
| Inventories | 50,739 | (25,367) |
| Due from Related Companies | (22,484) | (70,465) |
| ~~Other Current Assets~~ | ~~61~~ | ~~156,644~~ |
| Regulatory Transition Costs | (1,248) | (108,329) |
| Accounts Payable and Accrued Liabilities | 61,641 | (140,255) |
| Income Taxes Payable | 208,759 | 50,816 |
| Customer Deposits | 11,902 | 12,105 |
| Other Current Liabilities | (12,324) | 71,613 |
| Regulatory Assets/Liabilities | (254,010) | 155,170 |
| Employee Future Benefits | (1,845) | (1,437) |
| *Cash provided by Operations* | $ 1,496,067 | $ 316,919 |
| ***INVESTING ACTIVITES*** | | |
| Purchase of Capital Assets | $ (593,643) | $ (971,308) |
| Proceeds of disposition of Capital Assets | 12,000 | 0 |
| *Cash used in Investing Activities* | $ (581,643) | $ (971,308) |
| ***FINANCING ACTIVITES*** | | |
| Repayment of Long Term Debt | $ (431,000) | $ (172,000) |
| *Cash used in Financing Activities* | $ (431,000) | $ (172,000) |
| *Increase (Decrease) in Cash* | $ 483,424 | $ (826,389) |
| ***Cash, beginning of year*** | **177,791** | **1,004,180** |
| ***CASH, END OF YEAR*** | $ 661,215 | $ 177,791 |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF OPERATIONS AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2003

| | 2003 | 2002 |
|---|---|---|
| *Revenue* | | |
| Distribution | $ 3,504,554 | $ 2,136,760 |
| Change in Unbilled Distribution Revenue | (145,748) | 372,500 |
| | $ 3,358,806 | $ 2,509,260 |
| *Other Operating Revenue – Schedule 1* | 189,695 | 63,917 |
| *Total Revenue* | $ 3,548,501 | $ 2,573,177 |
| *Expenditures* | | |
| Distribution - Operations | $ 333,041 | $ 155,842 |
| Distribution - Maintenance | 294,453 | 198,559 |
| Billing and Collecting | 571,350 | 583,376 |
| Community Relations | 3,660 | 3,970 |
| Administrative and General | 468,245 | 524,369 |
| Amortization | 469,480 | 466,351 |
| Interest – *Note 6* | 321,649 | 315,077 |
| *Total Expenditures* | $ 2,461,878 | $ 2,247,544 |
| ***INCOME BEFORE INCOME TAXES*** | $ 1,086,623 | $ 325,633 |
| ***Provision for Income Taxes*** | 321,054 | 65,546 |
| ***NET INCOME FOR THE YEAR*** | $ 765,569 | $ 260,087 |
| ***Retained Earnings, (Deficit), beginning of year*** | 255,668 | (4,419) |
| ***RETAINED EARNINGS, end of year*** | $ **1,021,237** | $ **255,668** |

*The accompanying notes are an integral part of these Financial Statements.*

# *GRAVENHURST HYDRO ELECTRIC INC.*

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

## *1. THE ORGANIZATION*

Gravenhurst Hydro Electric Inc. is a wholly-owned subsidiary of Gravenhurst Power Inc., which is in turn wholly-owned by the Corporation of the Town of Gravenhurst.

In accordance with various regulations of the Province of Ontario, Gravenhurst Hydro Electric Inc. became a taxable entity on October 1, 2001. On this date, the company begin making payments in lieu of taxes, equivalent to federal and provincial income and capital taxes, to the Ontario Electricity Financial Corporation, to pay down the residual debt of the former Ontario Hydro.

## *2. SIGNIFICANT ACCOUNTING POLICIES*

The Financial Statements of Gravenhurst Hydro Electric Inc. have been prepared in accordance with accounting policies for Municipal Electrical Utilities in Ontario as required by the Ontario Energy Board under the authority of the *Ontario Energy Board Act, 1998*, and reflect the following policies as set forth in the *Ontario Energy Board Accounting Procedures Manual.*

*(a) Capital Assets*

Capital assets are recorded at cost. Costs for capital assets installed by the Commission include material, labour and overhead. Amortization of the assets, and the related Contributions and Grants in aid of Capital, is provided as follows:

| | |
|---|---|
| Land Rights | - Straight line basis over 25 years |
| Buildings | - Straight line basis over 25 to 50 years |
| Distribution Equipment | - Straight line basis over 25 to 35 years |
| Transportation Equipment | - Straight line basis over 5 to 10 years |
| Office Equipment | - Straight line basis over 5 to 10 years |
| Miscellaneous Equipment | - Straight line basis over 8 to 10 years |

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

*(b) Inventories*

Inventories consist of repair parts, supplies and materials valued at the lower of cost and replacement cost.

*(c) Service Revenue*

Service Revenue is recorded on the basis of regular meter readings and estimates of customer usage since the last meter reading date to the end of the year.

*(d) Use of Estimates*

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements in accordance with generally accepted accounting principles necessarily involves the use of estimates and approximations. These have been made using careful judgments.

## 3. FINANCIAL INSTRUMENTS

The company's financial instruments consist of Cash, Short term deposits, Accounts Receivable, Unbilled Revenue, Accounts Payable and Accrued Liabilities, Customer Deposits, Long Term Debt and Due to Shareholder. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risk from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless other wise noted.

## 4. LONG TERM DEBT

| | 2003 | 2002 |
|---|---|---|
| Promissory Note issued to the Town of Gravenhurst, interest only of $1,500 per month | $ 200,000 | $ 450,000 |
| Promissory Note issued to the Town of Gravenhurst, with interest at 5.15% per annum in 2000, increasing to 6.25% per annum by 2009, final payment due in 2009, extendable for ~~another ten years at the option~~ of the Town, with interest payable on January 5 and July 5 of each year | 4,649,000 | 4,830,000 |
| Current portion | (186,000) | (181,000) |
| **Net Long Term Debt** | **$ 4,663,000** | **$ 5,099,000** |

Principal payments over the next five years are as follows:

| | | |
|---|---|---|
| 2004 | - | $ 186,000 |
| 2005 | - | 193,000 |
| 2006 | - | 201,000 |
| 2007 | - | 211,000 |
| 2008 | - | 222,000 |

## 5. DUE TO SHAREHOLDER

Due to Shareholder is non-interest bearing, with no set terms of repayment, and is not due within one year.

### 6. RELATED PARTY TRANSACTIONS

Under the terms of the Promissory Notes issued to the Town of Gravenhurst on November 1, 2000 and November 1, 2002, the Company paid interest of $311,311 to the Town for the year ended December 31, 2003 (2002 - $307,483). Of this amount, $140,330 is included in *Other Current Liabilities* on the *Statement of Financial Position* (2002 - $145,560).

*Due from Related Companies* of $69,302 (2002 - $49,301) on the *Statement of Financial Position* represents accounts paid by Gravenhurst Hydro Electric Inc. on behalf of its parent company.

*Due from Related Companies* of $2,483 (2002 - $NIL) on the *Statement of Financial Position* represents amounts billed and collected by Gravenhurst Hydro Electric Inc. on behalf of its sister company, less management fees charged to that company.

*Management Fees* are fees charged to Gravenhurst Energy Services Inc., in accordance with a contract, for preparation and mailing of bills, and bookkeeping services.

### 7. CONTINGENCY

A class action claiming $500 million in restitutionary payments plus interest was served on Toronto Hydro 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 this class action. At this time, it is not possible to quantify the effect, if any, on the financial statements of Gravenhurst Hydro Electric Inc.

## 8. EMPLOYEE FUTURE BENEFITS

Gravenhurst Hydro Electric Inc. pays life insurance benefits on behalf of its retired employees. In accordance with standards adopted by the Canadian Institute of Chartered Accountants on January 1, 2000, Gravenhurst Hydro Electric Inc. recognizes post-retirement costs in the period in which the employee renders the service.

Information about Gravenhurst Hydro Electric Inc.'s defined benefit program is as follows:

| | 2003 | 2002 |
|---|---|---|
| Accrued benefit liability, beginning of year | $ 94,189 | $ 95,627 |
| Expense for the year | 6,829 | 6,626 |
| Contributions for the year | (8,673) | (8,064) |
| Accrued Benefit Liability, end of year | $ 92,345 | $ 94,189 |

The main actuarial assumptions employed for the valuation are as follows:

(a) General Inflation – Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 3.5% for 2002 and thereafter.

(b) Interest (discount) rate – The obligation as at December 31, 2002, of the present value of future liabilities and the expense for the twelve months ended December 31, 2003, were determined using an annual discount rate of 6%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 2.5%.

(c) Salary levels – Future general salary and wage levels were assumed to increase at 2% per annum.

(d) Medical costs – Medical costs were assumed to increase at the CPI rate plus a further increase of 4% in 2001, graded down to 1% in 2004 and thereafter.

(e) Dental costs – Dental costs were assumed to increase at the CPI rate plus a further increase of 1% in 2001 and thereafter.

## *GRAVENHURST HYDRO ELECTRIC INC.*

SCHEDULE 1 - OTHER OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2003

| | 2003 | 2002 |
|---|---|---|
| Late payment charges | $ 54,622 | $ 32,984 |
| Interest earned | 20,359 | 43,476 |
| Pole rentals | 49,605 | 47,734 |
| Change of occupancy charges | 8,950 | 4,840 |
| Reconnection charges | 2,000 | 2,715 |
| Miscellaneous | 11,730 | 5,799 |
| Sale of scrap material | 7,806 | 900 |
| Gain (Loss) on disposal of assets | 12,000 | (97,199) |
| Management Fees – *Note 7* | 22,623 | 22,668 |
| | **$ 189,695** | **$ 63,917** |

CLIENT'S COPY

April 24, 2004

Cull, Gordon & Gingrich,
Chartered Accountants
152-3 Manitoba Street,
Bracebridge, Ontario
P1L 1Z9

Attention: F. Glenn Gordon, C.A.

Dear Mr. Gordon:

We are providing this letter in connection with your audit of the financial statements of **Gravenhurst Hydro Electric Inc.** as at December 31, 2003 and for the year then ended for the purpose of expressing an opinion as to whether such financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation in accordance with Canadian generally accepted accounting principles.

Certain representations in this letter are described as being limited to those matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, make it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

In connection with your audit of the financial statements referred to above, we confirm, to the best of our knowledge and belief, as of April 6, 2004, the date of your report, the following representations made to you during your audit.

1. We are responsible for the fair presentation in the financial statements of financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles. We confirm the financial statements include all disclosures necessary for fair presentation and all disclosures otherwise required to be included therein by the laws and regulations to which the Corporation is subject.

   We acknowledge that we are responsible for the implementation and operation of internal controls that are designed to prevent and detect fraud and error. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud and all significant facts relating to any fraud or suspected frauds known to management that may have affect the Corporation.

   We have no significant deficiencies in the design or operation of internal controls which would adversely affect our ability to record, process, summarize and report financial data based upon our most recent evaluation.

We are not aware of any material accounts, transactions or agreements not fairly described and properly recorded in the accounting records underlying the financial statement and in the financial statements on a consistent basis.

The accounting records segregate, where appropriate, all transactions between the Corporation and its directors, officers, councilors and affiliates. Further, we are aware and concur with the contents and results of journal entries prepared by Cull, Gordon & Gingrich and accept responsibility for the financial statement effects of the entries.

We confirm our understanding that your audit was directed to the determination of whether the financial statements were prepared in accordance with Canadian generally accepted accounting principles. We also understand that your audit was conducted in accordance with auditing standards generally accepted in Canada and that your tests were limited to those which you considered necessary in the circumstances. We further understand that because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any system of internal control, there is an unavoidable risk that some material misstatements in the financial statements due to errors, fraud or illegal acts if any should exist, could remain undiscovered.

2. We have made available to you all financial and accounting records, related data and minutes of all meetings of the Board and committees held throughout the period and to the present date.

3. With the possible exception of items immaterial, individually and in total:

   a. All assets of the Corporation are included in the financial statements. The Corporation has satisfactory title to all owned assets and such assets have been properly recorded in the accounts, and represent continuing benefit to the Corporation.
   b. Where the value of any assets has been impaired, this fact has been properly reflected in the financial statements.
   c. Accounts receivable shown on the Statement of Financial Position represent bona fide claims against debtors for charges arising on or before December 31, 2003. The amount carried for doubtful accounts and allowances is sufficient to provide for any losses, which may be sustained on the realization of these receivables.
   d. All loans, encumbrances or security interests having consequence on any asset of the Corporation are disclosed in the financial statements.
   e. All liabilities of the Corporation at the balance sheets date are included in the financial statements.
   f. All claims and possible claims which existed at the balance sheet date or exist now have been disclosed to you.
   g. There are no off-balance sheet financial instruments.

h. No contingent gains or losses existed at the balance sheet data or exist now in respect of bills discounted, contracts, guarantees, whether written or oral, letters of comfort or otherwise.
i. The Corporation has identified the environment and related legislation and regulations to which it is subject and which if violated, could reasonably be expected to result in a material misstatement in the financial statements and has identified all of its operations and assets subject thereto. All related obligations have been properly accrued in accordance with Canadian generally accepted accounting principles.
j. There are no agreements to repurchase assets previously sold.
k. Adequate provision has been made for known or anticipated losses as of the date of this letter.

4. There has been no:
   a. Fraud involving management or employees who have significant roles in the Corporation's internal control.
   b. Fraud involving others that could have a material effect on the financial statements. We understand the term "fraud" to mean those matters described in the CICA 5135, Auditor's Responsibility to Detect and Communicate Misstatements.
   c. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements.

5. All related parties and related amounts receivable by or payable to the Corporation have been identified to you and all transactions therewith, including sale and purchase transactions which have not been given accounting recognition (such as management services without charge), loans, transfers, leasing arrangements and guarantees have been identified and disclosed to you and appropriately disclosed in the financial statements.

6. All actions taken by the Corporation were within its corporate powers and all its statutory and regulatory obligations have been satisfied.

7. The Corporation has complied with all aspects of debt and other contractual agreements that would have a material effect on the financial statements in the event of non-compliance.

8. We have made available to you all relevant information on the Corporation's ability to continue as a going concern that could affect the financial statements, including the recoverability or classification of recorded assets or the amounts and classifications of liabilities. The use of the going-concern assumption is appropriate and the Corporation will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business. We have no plans or intentions that may materially and detrimentally affect the carrying value of the assets and liabilities.

9. The nature of all material uncertainties, where the amount recognized in the financial statements could differ by a material amount from other reasonably possible amounts, is disclosed in the financial statements.

Furthermore, where an estimate is subject to such material uncertainty, and it is reasonably possible that the estimate will change within one year from the date of the financial statements; the financial statements also disclose the extent of the uncertainty.

10. Management is not aware of any illegal or possibly illegal acts committed by the Corporation's directors, officers or employees acting on the Corporation's behalf, the consequences of which could result in a significant misstatement of the financial statements.

11. No events have occurred subsequent to December 31, 2003, that would require adjustment to, or disclosure in, the financial statements. In addition, we know of no other events or conditions since December 31, 2003, that, although not affecting such financial statements, have caused or are likely to cause material change, adverse or otherwise, in the financial position, results of operations, or changes in financial position of the Corporation.

12. No significant matters have arisen that would require a restatement of the comparative financial statements.

13. Re-appointment
    We hereby confirm your re-appointment as auditors of the Corporation for the year ended December 31, 2003.

Yours very truly,

Gravenhurst Hydro Electric Inc.

Per:
Position

**Cull, Gordon, Gingrich & Harris**
Chartered Accountants

152-3 Manitoba Street
Bracebridge, ON, P1L 1Z9
(705) 645-5255 Tel.
(705) 645-7686 Fax
cullgordonging@bellnet.ca

# *GRAVENHURST HYDRO ELECTRIC INC.*

FINANCIAL STATEMENTS

DECEMBER 31, 2004

**Bracebridge**
F. Glenn Gordon, C.A.
**Parry Sound**
Donald T. J. Cull, C.A.
Stephen L. Gingrich, C.A., CFP
Brandy L. Harris, B.ACC., C.A.

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Chartered Accountants

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cullgordonging@bellnet.ca

## AUDITORS' REPORT

**To the Members of the Board, Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Gravenhurst**

We have audited the Statement of Financial Position of Gravenhurst Hydro Electric Inc. as at December 31, 2004, and the Statements of Changes in Financial Position, Operations and Retained Earnings for the year then ended. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted Canadian 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 Company as at December 31, 2004, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the Financial Statements.

Cull, Gordon, Gingrich & Harris
Chartered Accountants

Bracebridge, Ontario
March 15, 2005

**Bracebridge**
F. Glenn Gordon, C.A.
**Parry Sound**
Donald T. J. Cull, C.A.
Stephen L. Gingrich, C.A., CFP
Brandy L. Harris, B.ACC., C.A.

# *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2004

| | 2004 | 2003 |
|---|---|---|
| ***ASSETS*** | | |
| *Current* | | |
| Cash | $ 508,209 | $ 661,215 |
| Accounts Receivable, net of Allowance for Doubtful Accounts of $24,000 (2003 - $10,000) | 945,854 | 938,644 |
| Unbilled Revenue | 1,074,311 | 1,023,400 |
| Income Taxes Receivable | 125,272 | 0 |
| Inventories | 196,366 | 167,415 |
| Due from Related Companies – *Note 6* | 75,450 | 71,785 |
| Other Current Assets | 35,291 | 45,930 |
| | $ 2,960,753 | $ 2,908,389 |
| *Capital* | | |
| Land and Land Rights | $ 679,033 | $ 678,146 |
| Buildings | 563,016 | 551,763 |
| Distribution Stations | 791,953 | 734,511 |
| Subtransmission Feeders | 595,316 | 578,948 |
| Distribution – Overhead | 3,237,268 | 3,069,985 |
| Distribution – Underground | 1,698,384 | 1,343,314 |
| Distribution - Meters | 1,284,460 | 1,231,868 |
| Distribution - Transformers | 2,333,028 | 2,217,014 |
| Customer Service - Overhead | 936,272 | 919,322 |
| Customer Service - Underground | 374,096 | 371,021 |
| Transportation Equipment | 877,895 | 877,895 |
| Office Equipment | 416,140 | 380,326 |
| Miscellaneous Equipment | 119,820 | 112,437 |
| | $ 13,906,681 | $ 13,066,550 |
| Less Contributions in aid of Capital | (2,147,959) | (1,809,250) |
| | $ 11,758,722 | $ 11,257,300 |
| Less Net Accumulated Amortization | (4,690,985) | (4,128,787) |
| | $ 7,067,737 | $ 7,128,513 |
| *Other Assets* | | |
| Incorporation Costs | $ 8,816 | $ 8,816 |
| Regulatory Transition Costs | 131,906 | 109,577 |
| Net Regulatory Assets/Variance Accounts | 0 | 98,840 |
| | $ 140,722 | $ 217,233 |
| | **$ 10,169,212** | **$ 10,254,135** |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF FINANCIAL POSITION (continued)
AS AT DECEMBER 31, 2004

| | 2004 | 2003 |
|---|---|---|
| ***LIABILITIES*** | | |
| *Current* | | |
| Accounts Payable and Accrued Liabilities | $ 945,891 | $ 806,393 |
| Income Taxes Payable | 0 | 259,575 |
| Current Portion of Long Term Debt | 193,000 | 186,000 |
| Current Portion of Customer Deposits | 23,351 | 141,743 |
| Due to Related Companies – *Note 6* | 7,195 | 0 |
| Other Current Liabilities | 342,151 | 317,548 |
| | $ 1,511,588 | $ 1,711,259 |
| *Long Term Debt – Note 4* | | |
| Promissory Note | $ 4,463,000 | $ 4,649,000 |
| Promissory Note | 0 | 200,000 |
| Less Payments due within one year | (193,000) | (186,000) |
| | $ 4,270,000 | $ 4,663,000 |
| *Other* | | |
| Long Term Customer Deposits | $ 65,749 | $ 34,594 |
| Employee Future Benefits – *Note 7* | 92,276 | 92,345 |
| Net Regulatory Liabilities/Variance Accounts | 266,833 | 0 |
| | $ 424,858 | $ 126,939 |
| *Due to Shareholder – Note 5* | | |
| Due to Town of Gravenhurst | $ 395,775 | $ 645,775 |
| ***SHAREHOLDER EQUITY*** | | |
| *Share Capital* | | |
| *Authorized:* Unlimited common shares | | |
| *Issued:* 500 common shares | $ 2,085,925 | $ 2,085,925 |
| *Retained Earnings* | 1,481,066 | 1,021,237 |
| | $ 3,566,991 | $ 3,107,162 |
| | **$ 10,169,212** | **$ 10,254,135** |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2004

| | 2004 | 2003 |
|---|---|---|
| ***OPERATIONS*** | | |
| Net Income for the year | $ 459,829 | $ 765,569 |
| Amortization of Capital Assets | 608,219 | 595,364 |
| Loss (Gain) on Disposal of Assets | 0 | (12,000) |
| | $ 1,068,048 | $ 1,348,933 |
| *Sources and uses of Cash in Operations:* | | |
| Accounts Receivable | (7,210) | (589,292) |
| Unbilled Revenue | (50,911) | 695,235 |
| Inventories | (28,951) | 50,739 |
| Due from (to) Related Companies | 3,530 | (22,484) |
| Other Current Assets | 10,639 | 61 |
| Regulatory Transition Costs | (22,329) | (1,248) |
| Accounts Payable and Accrued Liabilities | 139,498 | 61,641 |
| Income Taxes Receivable/Payable | (384,847) | 208,759 |
| Customer Deposits | (87,237) | 11,902 |
| Other Current Liabilities | 24,603 | (12,324) |
| Regulatory Assets/Liabilities | 365,673 | (254,010) |
| Employee Future Benefits | (69) | (1,845) |
| *Cash provided by Operations* | $ 1,030,437 | $ 1,496,067 |
| ***INVESTING ACTIVITES*** | | |
| Purchase of Capital Assets | $ (547,443) | $ (593,643) |
| Proceeds of disposition of Capital Assets | 0 | 12,000 |
| *Cash used in Investing Activities* | $ (547,443) | $ (581,643) |
| ***FINANCING ACTIVITES*** | | |
| Repayment of Long Term Debt | $ (186,000) | $ (181,000) |
| Repayment of Due to Shareholder | (450,000) | (250,000) |
| *Cash used in Financing Activities* | $ (636,000) | $ (431,000) |
| *Increase (Decrease) in Cash* | $ (153,006) | $ 483,424 |
| ***Cash, beginning of year*** | **661,215** | **177,791** |
| ***CASH, END OF YEAR*** | **$ 508,209** | **$ 661,215** |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF OPERATIONS AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2004

| | 2004 | 2003 |
|---|---|---|
| *Revenue* | | |
| Distribution | $ 2,765,685 | $ 3,504,554 |
| Change in Unbilled Distribution Revenue | (55,855) | (145,748) |
| | $ 2,709,830 | $ 3,358,806 |
| *Other Operating Revenue – Schedule 1* | 142,955 | 189,695 |
| *Total Revenue* | $ 2,852,785 | $ 3,548,501 |
| *Expenditures* | | |
| Distribution - Operations | $ 151,477 | $ 333,041 |
| Distribution - Maintenance | 238,944 | 294,453 |
| Billing and Collecting | 583,511 | 571,350 |
| Community Relations | 5,070 | 3,660 |
| Administrative and General | 457,030 | 468,245 |
| Amortization | 492,125 | 469,480 |
| Interest – *Note 6* | 333,707 | 321,649 |
| *Total Expenditures* | $ 2,261,864 | $ 2,461,878 |
| ***INCOME BEFORE INCOME TAXES*** | $ 590,921 | $ 1,086,623 |
| ***Provision for Income Taxes*** | 131,092 | 321,054 |
| ***NET INCOME FOR THE YEAR*** | $ 459,829 | $ 765,569 |
| ***Retained Earnings, beginning of year*** | 1,021,237 | 255,668 |
| ***RETAINED EARNINGS, end of year*** | **$ 1,481,066** | **$ 1,021,237** |

*The accompanying notes are an integral part of these Financial Statements.*

# *GRAVENHURST HYDRO ELECTRIC INC.*

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004

## *1. THE ORGANIZATION*

Gravenhurst Hydro Electric Inc. is a wholly-owned subsidiary of Gravenhurst Power Inc., which is in turn wholly-owned by the Corporation of the Town of Gravenhurst.

In accordance with various regulations of the Province of Ontario, Gravenhurst Hydro Electric Inc. became a taxable entity on October 1, 2001. On this date, the company begin making payments in lieu of taxes, equivalent to federal and provincial income and capital taxes, to the Ontario Electricity Financial Corporation, to pay down the residual debt of the former Ontario Hydro.

## *2. SIGNIFICANT ACCOUNTING POLICIES*

The Financial Statements of Gravenhurst Hydro Electric Inc. have been prepared in accordance with accounting policies for Municipal Electrical Utilities in Ontario as required by the Ontario Energy Board under the authority of the *Ontario Energy Board Act, 1998*, and reflect the following policies as set forth in the *Ontario Energy Board Accounting Procedures Manual.*

*(a) Capital Assets*

Capital assets are recorded at cost. Costs for capital assets installed by the Commission include material, labour and overhead. Amortization of the assets, and the related Contributions and Grants in aid of Capital, is provided as follows:

| | |
|---|---|
| Land Rights | - Straight line basis over 25 years |
| Buildings | - Straight line basis over 25 to 50 years |
| Distribution Equipment | - Straight line basis over 25 to 35 years |
| Transportation Equipment | - Straight line basis over 5 to 10 years |
| Office Equipment | - Straight line basis over 5 to 10 years |
| Miscellaneous Equipment | - Straight line basis over 8 to 10 years |

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

*(b) Inventories*

Inventories consist of repair parts, supplies and materials valued at the lower of cost and replacement cost.

*(c) Service Revenue*

Service Revenue is recorded on the basis of regular meter readings and estimates of customer usage since the last meter reading date to the end of the year.

*(d) Use of Estimates*

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements in accordance with generally accepted accounting principles necessarily involves the use of estimates and approximations. These have been made using careful judgments.

## 3. FINANCIAL INSTRUMENTS

The company's financial instruments consist of Cash, Short term deposits, Accounts Receivable, Unbilled Revenue, Accounts Payable and Accrued Liabilities, Customer Deposits, Long Term Debt and Due to Shareholder. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risk from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless other wise noted.

### *4. LONG TERM DEBT*

| | 2004 | 2003 |
|---|---|---|
| Promissory Note issued to the Town of Gravenhurst, interest only of $1,500 per month | $ 0 | $ 200,000 |
| Promissory Note issued to the Town of Gravenhurst, with interest at 5.15% per annum in 2000, increasing to 6.25% per annum by 2009, final payment due in 2009, extendable for another ten years at the option of the Town, with interest payable on January 5 and July 5 of each year | 4,363,000 | 4,649,000 |
| Current portion | (193,000) | (186,000) |
| **Net Long Term Debt** | **$ 4,270,000** | **$ 4,663,000** |

Principal payments over the next five years are as follows:

| | | |
|---|---|---|
| 2005 | - | $ 193,000 |
| 2006 | - | 201,000 |
| 2007 | - | 211,000 |
| 2008 | - | 222,000 |
| 2009 | - | 3,636,000 |

### *5. DUE TO SHAREHOLDER*

Due to Shareholder is non-interest bearing, with no set terms of repayment, and is not due within one year. During the year, the company paid $250,000 (2003 - $NIL) to the Town of Gravenhurst, in addition to $200,000 (2003 - $250,000) under the Promissory Note referred to in *Note 4.*

## 6. RELATED PARTY TRANSACTIONS

Under the terms of the Promissory Notes issued to the Town of Gravenhurst on November 1, 2000 and November 1, 2002, the Company paid interest of $4,083 to the Town for the year ended December 31, 2004 (2003 - $311,311). Of this amount, $NIL (2003 - $140,330) is included in *Other Current Liabilities* on the *Statement of Financial Position.*

*Due from Related Companies* of $75,450 (2003 - $69,302) on the *Statement of Financial Position* represents accounts paid by Gravenhurst Hydro Electric Inc. on behalf of its parent company, less a Management Fee charged by the parent company of $22,291 (2003 - $NIL), which is included in *Administrative and General Expenditures* on the *Statement of Operations.*

*Due from (to) Related Companies* of $(7,195) (2003 - $2,483) on the *Statement of Financial Position* represents amounts billed and collected by Gravenhurst Hydro Electric Inc. on behalf of its sister company, less management fees charged to that company.

*Management Fees* are fees charged to Gravenhurst Energy Services Inc., in accordance with a contract, for preparation and mailing of bills, and bookkeeping services.

## 7. EMPLOYEE FUTURE BENEFITS

Gravenhurst Hydro Electric Inc. pays life insurance benefits on behalf of its retired employees. In accordance with standards adopted by the Canadian Institute of Chartered Accountants on January 1, 2000, Gravenhurst Hydro Electric Inc. recognizes post-retirement costs in the period in which the employee renders the service.

Information about Gravenhurst Hydro Electric Inc.'s defined benefit program is as follows:

| | 2004 | 2003 |
|---|---|---|
| Accrued benefit liability, beginning of year | $ 92,345 | $ 94,189 |
| Expense for the year | 6,764 | 6,829 |
| Contributions for the year | (6,833) | (8,673) |
| Accrued Benefit Liability, end of year | $ 92,276 | $ 92,345 |

***7. EMPLOYEE FUTURE BENEFITS (continued)***

The main actuarial assumptions employed for the valuation are as follows:

(a) General Inflation – Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 3.5% for 2002 and thereafter.

(b) Interest (discount) rate – The obligation as at December 31, 2004, of the present value of future liabilities and the expense for the twelve months ended December 31, 2004, were determined using an annual discount rate of 6%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 2.5%.

(c) Salary levels – Future general salary and wage levels were assumed to increase at 2% per annum.

(d) Medical costs – Medical costs were assumed to increase at the CPI rate plus a further increase of 4% in 2001, graded down to 1% in 2004 and thereafter.

(e) Dental costs – Dental costs were assumed to increase at the CPI rate plus a further increase of 1% in 2001 and thereafter.

## *GRAVENHURST HYDRO ELECTRIC INC.*

SCHEDULE 1 - OTHER OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2004

| | 2004 | 2003 |
|---|---|---|
| Late payment charges | $ 35,578 | $ 54,622 |
| Interest earned | 20,960 | 20,359 |
| Pole rentals | 49,605 | 49,605 |
| Change of occupancy charges | 8,380 | 8,950 |
| Reconnection charges | 2,700 | 2,000 |
| Miscellaneous | 3,018 | 11,730 |
| Sale of scrap material | 214 | 7,806 |
| Gain (Loss) on disposal of assets | 0 | 12,000 |
| Management Fees – *Note 6* | 22,500 | 22,623 |
| | **$ 142,955** | **$ 189,695** |

**Cull, Gordon, Gingrich & Harris**
Chartered Accountants

152-3 Manitoba Street
Bracebridge, ON, P1L 1Z9
(705) 645-5255 Tel.
(705) 645-7686 Fax
culligordonging@bellnet.ca

# *GRAVENHURST HYDRO ELECTRIC INC.*

FINANCIAL STATEMENTS

OCTOBER 31, 2005

COPY

**Bracebridge**
F. Glenn Gordon, C.A.
**Parry Sound**
Donald T. J. Cull, C.A.
Stephen L. Gingrich, C.A., CFP
Brandy L. Harris, B.ACC., C.A.

**Cull, Gordon, Gingrich & Harris**
Chartered Accountants

152-3 Manitoba Street
Bracebridge, ON, P1L 1Z9
(705) 645-5255 Tel.
(705) 645-7686 Fax
cullgordonging@bellnet.ca

## AUDITORS' REPORT

**To the Members of the Board, Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Gravenhurst**

We have audited the Statement of Financial Position of Gravenhurst Hydro Electric Inc. as at October 31, 2005, and the Statements of Changes in Financial Position, Operations and Retained Earnings for the ten month period then ended. These Financial Statements are the responsibility of the Company's management.. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted Canadian 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 Company as at October 31, 2005, and the results of its operations for the ten months then ended in accordance with the accounting principles disclosed in Note 1 to the Financial Statements.

Cull, Gordon, Gingrich & Harris
Chartered Accountants
February 9, 2006
Bracebridge, Ontario

**Bracebridge**
F. Glenn Gordon, C.A.
**Parry Sound**
Donald T. J. Cull, C.A.
Stephen L. Gingrich, C.A., CFP
Brandy L. Harris, B.ACC., C.A.

# *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF FINANCIAL POSITION
AS AT OCTOBER 31, 2005

| | October 31 2005 | December 31 2004 |
|---|---|---|
| *ASSETS* | | |
| *Current* | | |
| Cash | $ 813,338 | $ 508,209 |
| Accounts Receivable, net of Allowance for Doubtful Accounts of $22,776 (2004 - $24,000) | 1,084,759 | 945,854 |
| Unbilled Revenue | 730,147 | 1,074,311 |
| Income Taxes Receivable | 0 | 125,272 |
| Inventories | 199,233 | 196,366 |
| Due from Related Companies – *Note 6* | 69,969 | 75,450 |
| Other Current Assets | 11,681 | 35,291 |
| | $ 2,909,127 | $ 2,960,753 |
| **Capital** | | |
| Land and Land Rights | $ 680,004 | $ 679,033 |
| Buildings | 563,016 | 563,016 |
| Distribution Stations | 791,913 | 791,953 |
| Subtransmission Feeders | 597,057 | 595,316 |
| Distribution – Overhead | 3,463,381 | 3,237,268 |
| Distribution – Underground | 2,068,546 | 1,698,384 |
| Distribution - Meters | 1,345,364 | 1,284,460 |
| Distribution - Transformers | 2,463,854 | 2,333,028 |
| Customer Service - Overhead | 949,556 | 936,272 |
| Customer Service - Underground | 377,830 | 374,096 |
| Transportation Equipment | 882,217 | 877,895 |
| Office Equipment | 450,780 | 416,140 |
| Miscellaneous Equipment | 124,783 | 119,820 |
| | $ 14,758,301 | $ 13,906,681 |
| Less Contributions in aid of Capital | (2,405,147) | (2,147,959) |
| | $ 12,353,154 | $ 11,758,722 |
| Less Net Accumulated Amortization | (5,174,526) | (4,690,985) |
| | $ 7,178,628 | $ 7,067,737 |
| *Other Assets* | | |
| Incorporation Costs | $ 8,816 | $ 8,816 |
| Regulatory Transition Costs | 179,013 | 131,906 |
| | $ 187,829 | $ 140,722 |
| | **$ 10,275,584** | **$ 10,169,212** |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF FINANCIAL POSITION (continued)
AS AT OCTOBER 31, 2005

| | October 31 2005 | December 31 2004 |
|---|---|---|
| ***LIABILITIES*** | | |
| *Current* | | |
| Accounts Payable and Accrued Liabilities | $ 909,690 | $ 945,891 |
| Income Taxes Payable | 24,000 | 0 |
| Current Portion of Long Term Debt | 201,000 | 193,000 |
| Current Portion of Customer Deposits | 23,935 | 23,351 |
| Due to Related Companies – *Note 6* | 10,654 | 7,195 |
| Other Current Liabilities | 258,640 | 342,151 |
| | $ 1,427,919 | $ 1,511,588 |
| *Long Term Debt – Note 4* | | |
| Promissory Note | $ 4,270,000 | $ 4,463,000 |
| Less Payments due within one year | (201,000) | (193,000) |
| | $ 4,069,000 | $ 4,270,000 |
| *Other* | | |
| Long Term Customer Deposits | $ 42,998 | $ 65,749 |
| Employee Future Benefits – *Note 7* | 92,132 | 92,276 |
| Net Regulatory Liabilities/Variance Accounts | 349,142 | 266,833 |
| | $ 484,272 | $ 424,858 |
| *Due to Shareholder – Note 5* | | |
| Due to Town of Gravenhurst | $ 395,775 | $ 395,775 |
| ***SHAREHOLDER EQUITY*** | | |
| *Share Capital* | | |
| *Authorized:* Unlimited common shares | | |
| *Issued:* 500 common shares | $ 2,085,925 | $ 2,085,925 |
| *Retained Earnings* | 1,812,693 | 1,481,066 |
| | $ 3,898,618 | $ 3,566,991 |
| | **$ 10,275,584** | **$ 10,169,212** |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE TEN MONTH PERIOD ENDED OCTOBER 31, 2005

| | Ten Months 2005 | Twelve Months 2004 |
|---|---|---|
| ***OPERATIONS*** | | |
| Net Income for the year | $ 331,627 | $ 459,829 |
| Amortization of Capital Assets | 512,318 | 608,219 |
| Loss on Disposal of Assets | 4,029 | 0 |
| | $ 847,974 | $ 1,068,048 |
| *Sources and uses of Cash in Operations:* | | |
| Accounts Receivable | (138,905) | (7,210) |
| Unbilled Revenue | 344,164 | (50,911) |
| Inventories | (2,867) | (28,951) |
| Due from Related Companies | 8,939 | 3,530 |
| Other Current Assets | 23,610 | 10,639 |
| Regulatory Transition Costs | (47,106) | (22,329) |
| Accounts Payable and Accrued Liabilities | (36,201) | 139,498 |
| Income Taxes Receivable/Payable | 149,272 | (384,847) |
| Customer Deposits | (22,167) | (87,237) |
| Other Current Liabilities | (83,511) | 24,603 |
| Regulatory Assets/Liabilities | 82,309 | 365,673 |
| Employee Future Benefits | (144) | (69) |
| *Cash provided by Operations* | $ 1,125,367 | $ 1,030,437 |
| ***INVESTING ACTIVITES*** | | |
| Purchase of Capital Assets | $ (628,438) | $ (547,443) |
| Proceeds of disposition of Capital Assets | 1,200 | 0 |
| *Cash used in Investing Activities* | $ (627,238) | $ (547,443) |
| ***FINANCING ACTIVITES*** | | |
| Repayment of Long Term Debt | $ (193,000) | $ (186,000) |
| Repayment of Due to Shareholder | 0 | (450,000) |
| *Cash used in Financing Activities* | $ (193,000) | $ (636,000) |
| *Increase (Decrease) in Cash* | $ 305,129 | $ (153,006) |
| *Cash, beginning of year* | 508,209 | 661,215 |
| ***CASH, END OF YEAR*** | **$ 813,338** | **$ 508,209** |

*The accompanying notes are an integral part of these Financial Statements.*

## *GRAVENHURST HYDRO ELECTRIC INC.*

STATEMENT OF OPERATIONS AND RETAINED EARNINGS
FOR THE TEN MONTH PERIOD ENDED OCTOBER 31, 2005

| | Ten Months 2005 | Twelve Months 2004 |
|---|---|---|
| *Revenue* | | |
| Distribution | $ 2,306,393 | $ 2,765,685 |
| Change in Unbilled Distribution Revenue | (89,200) | (55,855) |
| | $ 2,217,193 | $ 2,709,830 |
| *Other Operating Revenue – Schedule 1* | 102,315 | 142,955 |
| *Total Revenue* | $ 2,319,508 | $ 2,852,785 |
| *Expenditures* | | |
| Distribution - Operations | $ 66,762 | $ 151,477 |
| Distribution - Maintenance | 180,004 | 238,944 |
| Billing and Collecting | 463,821 | 583,511 |
| Community Relations | 1,951 | 5,070 |
| Administrative and General | 435,284 | 457,030 |
| Amortization | 428,506 | 492,125 |
| Interest – *Note 6* | 231,729 | 333,707 |
| *Total Expenditures* | $ 1,808,057 | $ 2,261,864 |
| *Income Before Income Taxes* | $ 511,451 | $ 590,921 |
| *Provision for Income Taxes* | 179,824 | 131,092 |
| *Net Income for the Year* | $ 331,627 | $ 459,829 |
| *Retained Earnings, beginning of year* | 1,481,066 | 1,021,237 |
| ***RETAINED EARNINGS, end of year*** | **$ 1,812,693** | **$ 1,481,066** |

*The accompanying notes are an integral part of these Financial Statements.*

# *GRAVENHURST HYDRO ELECTRIC INC.*

NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2005

## *1. THE ORGANIZATION*

Gravenhurst Hydro Electric Inc. is a wholly-owned subsidiary of Gravenhurst Power Inc., which is in turn wholly-owned by the Corporation of the Town of Gravenhurst.

In accordance with various regulations of the Province of Ontario, Gravenhurst Hydro Electric Inc. became a taxable entity on October 1, 2001. On this date, the company begin making payments in lieu of taxes, equivalent to federal and provincial income and capital taxes, to the Ontario Electricity Financial Corporation, to pay down the residual debt of the former Ontario Hydro.

## *2. SIGNIFICANT ACCOUNTING POLICIES*

The Financial Statements of Gravenhurst Hydro Electric Inc. have been prepared in accordance with accounting policies for Municipal Electrical Utilities in Ontario as required by the Ontario Energy Board under the authority of the *Ontario Energy Board Act, 1998*, and reflect the following policies as set forth in the *Ontario Energy Board Accounting Procedures Manual.*

*(a) Capital Assets*

Capital assets are recorded at cost. Costs for capital assets installed by the Commission include material, labour and overhead. Amortization of the assets, and the related Contributions and Grants in aid of Capital, is provided as follows:

| | |
|---|---|
| Land Rights | - Straight line basis over 25 years |
| Buildings | - Straight line basis over 25 to 50 years |
| Distribution Equipment | - Straight line basis over 25 to 35 years |
| Transportation Equipment | - Straight line basis over 5 to 10 years |
| Office Equipment | - Straight line basis over 5 to 10 years |
| Miscellaneous Equipment | - Straight line basis over 8 to 10 years |

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

*(b) Inventories*

Inventories consist of repair parts, supplies and materials valued at the lower of cost and replacement cost.

*(c) Service Revenue*

Service Revenue is recorded on the basis of regular meter readings and estimates of customer usage since the last meter reading date to the end of the year.

*(d) Use of Estimates*

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements in accordance with generally accepted accounting principles necessarily involves the use of estimates and approximations. These have been made using careful judgments.

## 3. FINANCIAL INSTRUMENTS

The company's financial instruments consist of Cash, Short term deposits, Accounts Receivable, Unbilled Revenue, Accounts Payable and Accrued Liabilities, Customer Deposits, Long Term Debt and Due to Shareholder. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risk from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless other wise noted.

### 4. LONG TERM DEBT

| | October 31 2005 | December 31 2004 |
|---|---|---|
| Promissory Note issued to the Town of Gravenhurst, with interest at 5.15% per annum in 2000, increasing to 6.25% per annum by 2009, final payment due in 2009, extendable for another ten years at the option of the Town, with interest payable on January 5 and July 5 of each year | $ 4,270,000 | $ 4,363,000 |
| Current portion | (201,000) | (193,000) |
| **Net Long Term Debt** | **$ 4,069,000** | **$ 4,270,000** |

On November 1, 2005 the promissory note was paid in full as per the share purchase agreement with Veridian Connections Inc and Gravenhurst Power Inc.

### 5. DUE TO SHAREHOLDER

Due to Shareholder is non-interest bearing, with no set terms of repayment, and is not due within one year. During the year, the company paid $Nil (2004 - $250,000) to the Town of Gravenhurst.

On November 1, 2005 the amount due to shareholder was paid in full as per the share purchase agreement with Veridian Connections Inc. and Gravenhurst Power Inc.

## 6. RELATED PARTY TRANSACTIONS

Under the terms of the Promissory Notes issued to the Town of Gravenhurst on November 1, 2000 and November 1, 2002, the Company paid interest of $226,640 to the Town for the ten month period ended October 31, 2005 (2004 - $4,083). Of this amount, $82,147 (2004 - $Nil) is included in *Other Current Liabilities* on the *Statement of Financial Position.*

*Due from Related Companies* of $ 69,969 (2004 - $75,450) on the *Statement of Financial Position* represents accounts paid by Gravenhurst Hydro Electric Inc. on behalf of its parent company, less a Management Fee charged by the parent company of $ 23,481 (2004 - $22,291), which is included in *Administrative and General Expenditures* on the *Statement of Operations.*

*Due (to) Related Companies* of $(10,654) (2004 - $(7,195) on the *Statement of Financial Position* represents amounts billed and collected by Gravenhurst Hydro Electric Inc. on behalf of its sister company, less management fees charged to that company.

*Management Fees* are fees charged to Gravenhurst Energy Services Inc., in accordance with a contract, for preparation and mailing of bills, and bookkeeping services.

## 7. EMPLOYEE FUTURE BENEFITS

Gravenhurst Hydro Electric Inc. pays life insurance benefits on behalf of its retired employees. In accordance with standards adopted by the Canadian Institute of Chartered Accountants on January 1, 2000, Gravenhurst Hydro Electric Inc. recognizes post-retirement costs in the period in which the employee renders the service.

Information about Gravenhurst Hydro Electric Inc.'s defined benefit program is as follows:

| | October 31 2005 | December 31 2004 |
|---|---|---|
| Accrued benefit liability, beginning of year | $ 92,276 | $ 92,345 |
| Expense for the year | 5,664 | 6,764 |
| Contributions for the year | (5,808) | (6,833) |
| Accrued Benefit Liability, end of year | $ 92,132 | $ 92,276 |

### 7. EMPLOYEE FUTURE BENEFITS (continued)

The main actuarial assumptions employed for the valuation are as follows:

(a) General Inflation – Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 3.5% for 2002 and thereafter.

(b) Interest (discount) rate – The obligation as at October 31, 2005, of the present value of future liabilities and the expense for the ten months ended October 31, 2005, were determined using an annual discount rate of 6%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 2.5%.

(c) Salary levels – Future general salary and wage levels were assumed to increase at 2% per annum.

(d) Medical costs – Medical costs were assumed to increase at the CPI rate plus a further increase of 4% in 2001, graded down to 1% in 2004 and thereafter.

(e) Dental costs – Dental costs were assumed to increase at the CPI rate plus a further increase of 1% in 2001 and thereafter.

### 8. SUBSEQUENT EVENT

On November 1, 2005 Gravenhurst Power Inc sold all of the issued shares of the company to Veridian Connections Inc.

## *GRAVENHURST HYDRO ELECTRIC INC.*

SCHEDULE 1 - OTHER OPERATING REVENUE
FOR THE TEN MONTH PERIOD ENDED OCTOBER 31, 2005

| | October 31 2005 | December 31 2004 |
|---|---|---|
| Late payment charges | $ 6,535 | $ 35,578 |
| Interest earned | 4,656 | 20,960 |
| Pole rentals | 52,730 | 49,605 |
| Change of occupancy charges | 5,519 | 8,380 |
| Reconnection charges | 2,220 | 2,700 |
| Miscellaneous | 15,740 | 3,018 |
| Sale of scrap material | 538 | 214 |
| (Loss) on disposal of assets | (4,029) | 0 |
| Management Fees – *Note 6* | 18,406 | 22,500 |
| | **$ 102,315** | **$ 142,955** |

# Gravenhurst Hydro Electric Balance Sheet

**Balance Sheet**

**As at November 21, 2005**

| | Nov 21st, 2005 |
|---|---|
| **Assets** | |
| **Current Assets** | |
| Cash & Bank | 886,857 |
| Inter-Company Accounts | - |
| Customer Accounts Receivable | 1,154,728 |
| Unbilled Accounts Receivable | 730,147 |
| Other Current Assets | 11,681 |
| Inventory | 199,233 |
| Curr Portion of Regulatory Assets | - |
| | 2,982,646 |
| Future Income Tax | |
| Non-Current Assets | |
| Due From Township of Scugog | - |
| Goodwill & Intangible Assets | |
| Other Assets | 8,816 |
| Long Term Receivable | |
| Regulatory Assets | 179,013 |
| Fixed Plant | 12,353,154 |
| -Accumulated Depreciation | (5,210,389) |
| **Total Assets** | 10,313,240 |
| **Liabilities & Equity** | |
| **Current Liabilities** | |
| Market Settlement | 594,810 |
| Note Payable to Veridian Corporate | - |
| Note Payable to Veridian Energy | - |
| Intercompany Payable | - |
| Curr Portion of LTD | 201,000 |
| Other Current Liab | 258,640 |
| Current Portion of Customer Deposits | 23,935 |
| Other Payables | 349,534 |
| | 1,427,919 |
| **Long Term Liabilities** | |
| Promissory Notes | 4,069,000 |
| Long Term Debt - due to Town of Gravenhurst | 395,775 |
| Future Income Taxes | - |
| Regulatory Liabilities | 349,142 |
| Employee Future Benefits | 92,132 |
| Customer Deposits - Capital Projects | - |
| Customer Deposits - Electricity Purchases | 42,998 |
| | 4,949,047 |
| Total Liabilities | 6,376,966 |
| Share Capital | 2,085,925 |
| | - |
| Retained Earnings Beginning of period | 1,812,693 |
| Net Income current period | 37,656 |
| TOTAL LIABILITIES AND EQUITY | 10,313,240 |

# Gravenhurst Hydro Electric Inc

Statement of Operations
November 1 - 21, 2005

| | |
|---|---|
| **Standard Supply Service** | |
| **Revenues** | |
| Revenue- Cost of Power | $397,148 |
| **Expenses** | |
| Expenses- Cost of Power | 397,148 |
| **Income(Loss)Standard Supply Service** | - |
| **Local Distribution Operations** | |
| **Revenues** | |
| Other Revenue | 0 |
| Distribution Revenues | 133,065 |
| **Total Revenue** | 133,065 |
| **EXPENSES** | |
| Metering Services Expense | |
| Energy Services Expense | |
| Operations & Maintenance | 57,581 |
| Administration, Building, IT & Finance | 1,965 |
| **Total Expenses** | 59,546 |
| Depreciation | 35,863 |
| Financial Expense | |
| Interest on Promissory Note | |
| Allowance for funds used during construction | |
| Extraordinary Item | |
| **Income (Loss) Distribution Operations** | 37,656 |
| **Net Income (Loss) Before Taxes** | 37,656 |
| Payments in Lieu of Taxes | 0 |
| **Net Income (Loss) After Taxes** | 37,656 |